

grant insurance benefits to dependents of certain civilian employees at military, air, and naval outposts; to the Committee on Ways and Means.

By Mr. SUMNERS of Texas:

H. R. 6321. A bill to provide for a general term of the district court for the district of Alaska at Anchorage, Alaska; to the Committee on the Judiciary.

By Mr. SWEENEY:

H. R. 6322. A bill to provide for the monthly distribution to warrant officers, noncommissioned officers, and enlisted men of the Army, Navy, Marine Corps, and Coast Guard of 15 penalty-type envelopes to be used for the free transmission in the mail of their personal correspondence during the duration of the war; to the Committee on the Post Office and Post Roads.

By Mr. BLAND:

H. R. 6323. A bill to amend the Merchant Marine Act, 1936, with respect to contracts with the United States Maritime Commission, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

By Mr. DITTER:

H. R. 6324. A bill requiring that physical examinations be given to all members of the armed forces at the time of their discharge; to the Committee on Military Affairs.

By Mr. GEARHART:

H. R. 6325. A bill to amend certain provisions of the Internal Revenue Code relating to the production of alcohol; to the Committee on Ways and Means.

By Mr. ROGERS of Oklahoma:

H. J. Res. 265. Joint resolution to provide that the Office of Indian Affairs shall be moved to the State of Oklahoma, in the event it is moved from Washington; to the Committee on Indian Affairs.

By Mr. LELAND M. FORD:

H. Res. 401. Resolution providing for an investigation in connection with the proceedings for the deportation of Harry Bridges; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM:

H. R. 6326. A bill for the relief of Merrill M. Marks; to the Committee on Military Affairs.

By Mr. CULLEN:

H. R. 6327. A bill to grant an honorable discharge from the military service of the United States to William Rosenberg; to the Committee on Military Affairs.

By Mr. McGEHEE:

H. R. 6328. A bill for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department; to the Committee on Claims.

H. R. 6329. A bill for the relief of Bibiano L. Meer; to the Committee on Claims.

By Mr. PAGÁN:

H. R. 6330. A bill for the relief of Luis Ortiz; to the Committee on World War Veterans' Legislation.

By Mr. REECE of Tennessee:

H. R. 6331. A bill for the relief of Theodore A. Mooring; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2249. By Mr. JARRETT: Petition of sundry citizens of Warren County, Pa., urging passage of House bill 4000; to the Committee on Military Affairs.

2250. By Mr. KEOGH: Petition of the Chamber of Commerce of the Borough of

Queens, city of New York, concerning Senate bill 2124, providing for a mandatory investment plan; to the Committee on Banking and Currency.

2251. By Mr. KRAMER: Petition of the California State Board of Agriculture, Sacramento, Calif., recommending passage by Congress of Senate Joint Resolution 16 and House Joint Resolution 76, introduced by Senator WAGNER and Representative VOORHIS, to establish a Post-Emergency Economic Advisory Commission; to the Committee on Labor.

2252. By Miss RANKIN of Montana: Petition of the Fourth District of the Department of Montana, Veterans of Foreign Wars of the United States, in convention assembled at Bozeman, Mont., December 14, 1941, signed by the resolutions committee, V. E. Nordberg, chairman, Robert H. Montgomery, Charles E. Jones, and Andrew Horvath, memorializing the Congress of the United States of America to enact legislation which will give our Nation's disabled and their dependents at least an equal consideration with the Work Projects Administration employees in the matter of adequate compensation in relation to the present-day costs of living; to the Committee on World War Veterans' Legislation.

2253. By Mr. ROLPH: Assembly Joint Resolution No. 3 of the State of California, relative to the full utilization of the Nation's skills and resources in the national-defense program and the building of national unity, irrespective of race or color; to the Committee on Military Affairs.

2254. By Mr. SMITH of Wisconsin: Resolutions of Wisconsin Swiss and Limburger Cheese Producers' Association, Inc., of Monroe, Wis., endorsing the program of the united dairy committee, and urging Congress to pass legislation which prohibits the interstate shipment and sale of oleomargarine which contains any dairy product, which is yellow in color, taste, and appearance, and urging the strengthening of the statutory authority of the Federal Trade Commission to proceed against the manufacturers of oleomargarine or their representatives in respect to unfair and deceptive statements or pictures in their advertising of these products, with particular emphasis on the use of yellow color in advertisements and use of descriptive dairy terms; to the Committee on Agriculture.

2255. Also, resolutions of the Wisconsin Swiss and Limburger Cheese Producers' Association, Inc., of Monroe, Wis., insisting that no price ceilings be placed on agricultural products unless comparable ceilings be placed on the prices of materials and the wages of labor involved in the production of equipment used by farmers; to the Committee on Agriculture.

2256. Also, resolutions of the Wisconsin Swiss and Limburger Cheese Producers' Association, Inc., of Monroe, Wis., asking that every effort possible to get Swiss, Limburger, and brick cheeses included in the diet of American soldiers; to the Committee on Agriculture.

2257. By Mr. STEARNS of New Hampshire: Petition of certain residents of Swanzy, N. H., requesting that the Government take all possible steps to eliminate nondefense, nonessential expenditures; to the Committee on Military Affairs.

2258. By Mr. SUTPHIN: Petition of the New Jersey Society, Sons of the American Revolution, reaffirming the loyalty of its membership to the United States and resolving to render every possible service to aid the prosecution of the present conflict; to the Committee on Military Affairs.

2259. By the SPEAKER: Petition of the United States Academy of Culture, Chicago, Ill., petitioning consideration of their resolution with reference to the Constitution of the United States; to the Committee on the Judiciary.

2260. Also, petition of the Filipino Federation of America (sixteenth annual national convention), Los Angeles, Calif., petitioning consideration of their resolution with reference to the national-defense program; to the Committee on Military Affairs.

2261. Also, petition of the Committee to Eliminate Discriminations Against Women of New Jersey, East Orange, N. J., petitioning consideration of their resolution with reference to the drafting of the women of America for service, and further recommending that the draft law be amended to include women; to the Committee on Military Affairs.

SENATE

THURSDAY, JANUARY 8, 1942

(Legislative day of Tuesday, January 6, 1942)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, the Very Reverend Z. Barney T. Phillips, D. D., offered the following prayer:

Almighty God, the Author and Giver of all good, whose unseen power and presence encompass our path: Guide us, we beseech Thee, out of the darkness of uncertainty into the light of such mature and careful thought as may be needful for the deliberations of this day.

Enable us by Thy Spirit to rise and go wherever our sense of right and duty leads, no matter how hard the way, however difficult the undertaking. And, as we are brought face to face with reality all about us, make us so strong within that we may rule right royally our own spirits, acting bravely against whatever temptation may beset us. We would be meek, rather than cruel; forbearing rather than exacting, and willing, if need be, to sacrifice our all on the altar of service to our country and our God.

Finally, we ask that Thou wilt give us that gladness of heart which is created and sustained by the clear shining within of faith and love, that we may have the spirit of the Blessed Master who, in spite of His overburdened and troubled life, was the happiest of men, and whose joy overflowed upon all those with whom He came into close and intimate touch when He lived and walked among men in the days of His flesh. In His own dear name we ask it. Amen.

ATTENDANCE OF A SENATOR

HENRY CABOT LODGE, Jr., a Senator from the State of Massachusetts, appeared in his seat today.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, January 7, 1942, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gerry	Nye
Austin	Gillette	O'Daniel
Bailey	Glass	O'Mahoney
Ball	Green	Overton
Bankhead	Guffey	Radcliffe
Barkley	Gurney	Reed
Bilbo	Hayden	Reynolds
Bone	Herring	Rosier
Brewster	Hill	Russell
Brooks	Holman	Schwartz
Brown	Hughes	Shipstead
Bulow	Johnson, Colo.	Spencer
Bunker	Kilgore	Taft
Burton	La Follette	Thomas, Idaho
Butler	Langer	Thomas, Okla.
Byrd	Lee	Thomas, Utah
Capper	Lodge	Tobey
Caraway	Lucas	Truman
Chandler	McCarran	Tunnell
Chavez	McFarland	Tydings
Clark, Idaho	McKellar	Vandenberg
Clark, Mo.	McNary	Van Nuys
Connally	Maloney	Wagner
Danaher	Maybank	Walgren
Davis	Mead	Walsh
Downey	Millikin	Wheeler
Doxey	Murdock	White
Ellender	Murray	Wiley
George	Norris	Willis

Mr. HILL. I announce that the Senator from New Mexico [Mr. HATCH] is absent from the Senate because of illness.

The Senators from Florida [Mr. ANDREWS and Mr. PEPPER], the Senator from New Jersey [Mr. SMATHERS], the Senator from South Carolina [Mr. SMITH], and the Senator from Tennessee [Mr. STEWART] are necessarily absent.

Mr. AUSTIN. The Senator from New Hampshire [Mr. BRIDGES] is confined to a hospital due to a recent hip injury.

The Senator from New Jersey [Mr. BARBOUR] is necessarily absent.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its clerks, announced that the House had passed, without amendment, the bill (S. 2149) to amend the act approved April 22, 1941 (Public, No. 39, 77th Cong.), so as to increase the authorized enlisted strength of the Navy and Marine Corps.

The message also announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H. R. 4077. An act to amend the District of Columbia License Act so as to permit sightseeing operations in the District of Columbia, without procurement of a license or payment of a tax, in the case of certain vehicles performing such operations in connection with transportation of persons to the District of Columbia;

H. R. 5464. An act to authorize transfer of enlisted men of the Naval and Marine Corps Reserve to the Regular Navy and Marine Corps; and

H. R. 6163. An act to prohibit parking of vehicles upon public or private property in the District of Columbia without the consent of the owner of such property.

The message further announced that the House had passed a bill (H. R. 6304) authorizing appropriations for the United States Navy, additional shipbuilding and ship-repair facilities, and for other purposes, in which it requested the concurrence of the Senate.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON PERSHING HALL MEMORIAL FUND

A letter from the Acting Secretary of the Treasury, transmitting, pursuant to law, an itemized report of transactions for account of the Pershing Hall Memorial Fund (with an accompanying statement); to the Committee on Military Affairs.

REPORT OF THE TARIFF COMMISSION

A letter from the chairman of the United States Tariff Commission, transmitting, pursuant to law, the twenty-fifth annual report of the Commission, 1941 (with an accompanying report); to the Committee on Finance.

REPORT OF ADMINISTRATOR OF VETERANS' AFFAIRS

A letter from the Administrator of Veterans' Affairs, transmitting, pursuant to law, his annual report for the fiscal year ended June 30, 1941 (with an accompanying report); to the Committee on Finance.

REPORT OF THE CHESAPEAKE & POTOMAC TELEPHONE CO.

A letter from the president of the Chesapeake & Potomac Telephone Co., submitting, pursuant to law, the company's report for the year 1941, showing operations for the month of December to be estimated only (with an accompanying report); to the Committee on the District of Columbia.

REPORT OF OFFICERS DELINQUENT IN RENDERING ACCOUNTS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report showing the officers of the Government who on June 30, 1941, were delinquent in rendering or transmitting accounts to the proper offices in Washington, the names thereof, the reported cause of delinquency, and, in each instance, whether the delinquency was waived by the Secretary of the Treasury, etc. (with an accompanying report); to the Committee on Claims.

REPORTS OF THE INTERSTATE COMMERCE COMMISSION

Two letters from the acting chairman of the Interstate Commerce Commission, transmitting reports, pursuant to law; to the Committee on Interstate Commerce, as follows:

The fifty-fifth annual report of the Interstate Commerce Commission; and

Reports showing final valuations of properties of certain carriers: Valuation Docket No. 1261, White Eagle Pipe Line Co., Inc.; Valuation Docket No. 1263, Bell General Transit Corporation; Valuation Docket No. 1264, Keystone Pipe Line Co.; Valuation Docket No. 1265, Kaw Pipe Line Co., and Valuation Docket No. 1226, Rocky Mountain Pipe Line Co. (with accompanying papers).

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A telegram in the nature of a petition from A. J. Ellsworth, president of the South Montrose Dairy Cooperative Association, Montrose, Pa., praying for the adoption of the so-called O'Mahoney amendment to House bill 5990, the price-control bill; ordered to lie on the table.

A telegram in the nature of a petition from H. G. Pritchard, of Fessenden, N. Dak., praying that the proceeding involving the right of the Senator from North Dakota [Mr. LANGER] to a seat in the Senate be dismissed; ordered to lie on the table.

A letter in the nature of a memorial from Sarah B. Dona, of New York City, remonstrating against the adoption of the so-called Dies amendment to the bill (H. R. 6269) to amend the act entitled "An act to require the registration of certain persons employed by agencies to disseminate propaganda in the United States, and for other purposes," ap-

proved June 8, 1938, as amended; ordered to lie on the table.

By Mr. HUGHES:

Petitions, numerous signed, of sundry citizens of the State of Delaware, praying for the enactment of the bill (S. 860) to provide for the common defense in relation to the sale of alcoholic liquors to the members of the land and naval forces of the United States and to provide for the suppression of vice in the vicinity of military camps and naval establishments; ordered to lie on the table.

A memorial of sundry citizens of the State of Delaware, remonstrating against the enactment of the bill (S. 860) to provide for the common defense in relation to the sale of alcoholic liquors to the members of the land and naval forces of the United States and to provide for the suppression of vice in the vicinity of military camps and naval establishments in its present form; ordered to lie on the table.

RESOLUTION OF BUTLER COUNTY (PA.) POMONA GRANGE—OLEOMARGARINE

Mr. DAVIS. Mr. President, I present and ask unanimous consent to have printed in the RECORD and appropriately referred a resolution adopted by Butler County (Pa.) Pomona Grange, No. 17, with reference to the so-called Gillette and Andresen oleomargarine bills, Senate bill 1921 and House bill 5700.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

Whereas we are informed that, by virtue of his appointed authority by the Federal Administration, Paul McNutt has seen fit to nullify the protective provisions guarding against the coloring, etc., of oleomargarine, thereby making it difficult for the purchaser to detect its difference from butter, notwithstanding its lack of food value; and

Whereas this ruling has incurred a great injustice against the farmer and milk producer, in that it deprives him of a legal protection he has long enjoyed; Therefore be it

Resolved, That Butler County Pomona Grange, No. 17, hereby goes on record as being opposed to this ruling and in favor of the Andresen-Gillette oleomargarine bills, H. R. 5700 and S. 1921, which bills will renew our protection against this oleomargarine menace; and be it

Resolved, That our Senators and Congressmen be contacted and urged to support the passage of the above-mentioned bills; and be it

Resolved, That a copy of this resolution be presented to the Pennsylvania State Grange for their consideration and support.

RESOLUTION OF THE ROTARY CLUB OF ELROY, WIS.—REDUCTION OF NON-ESSENTIAL EXPENDITURES

Mr. WILEY presented a resolution adopted by the Rotary Club of Elroy, Wis., which was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

ROTARY CLUB OF ELROY,
Elroy, Wis., December 9, 1941.

HON. ALEXANDER WILEY,
National Capitol, Washington, D. C.

DEAR SENATOR: In compliance with the request of the board of directors of the Elroy Rotary Club of Elroy, we forward you the following resolution which was unanimously passed by them:

"Whereas expenditures for national defense for upward of \$56,000,000,000 have been authorized; and

"Whereas Federal tax levies have reached an unprecedented height and we are informed

that increased levies will be enacted in the near future; and

"Whereas these Federal taxes, both direct and indirect, will prove a severe strain on the income of citizens and in many cases require great sacrifices and real hardship; and

"Whereas employment is at a high level and the 'relief emergency' which existed several years ago has now passed and there is no longer a real need for vast Federal relief programs: Therefore be it

"Resolved, That the Members of the Congress of the United States be hereby requested to examine all Federal nondefense spending and eliminate all the nonessential spending, thus saving from one to three billions of dollars annually, and it has been estimated by competent authorities may be done; and be it further

"Resolved, That copies of this resolution be sent to our Senators and Representatives in Congress and to the newspapers."

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. REYNOLDS:

S. 2182. A bill to provide for temporary promotion in the Army of the United States of officers commissioned in the Air Corps or assigned to duty with the Air Corps; to the Committee on Military Affairs.

By Mr. McCARRAN:

S. 2183. A bill to amend an act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia," approved February 27, 1929; to the Committee on the District of Columbia.

By Mr. WHEELER:

S. 2184. A bill for the relief of Harry B. Millison; to the Committee on Claims.

By Mr. WALSH:

S. 2185. A bill authorizing the President of the United States to reinstate Wallace F. Safford to the position and rank of captain in the Army of the United States; to the Committee on Military Affairs.

HOUSE BILL PLACED ON THE CALENDAR

The bill (H. R. 6304) authorizing appropriations for the United States Navy, additional shipbuilding and ship-repair facilities, and for other purposes, was read twice by its title and ordered to be placed on the calendar.

AMENDMENTS TO PRICE-CONTROL BILL

Mr. GEORGE and Mr. VANDENBERG each submitted an amendment and Mr. BALL and Mr. BUTLER each submitted two amendments intended to be proposed by them, respectively, to the bill (H. R. 5990) to further the national defense and security by checking speculative and excessive price rises, price dislocations, and inflationary tendencies, and for other purposes, which were severally ordered to lie on the table and to be printed.

Mr. LUCAS submitted an amendment intended to be proposed by him to House bill 5990, the price-control bill, which was ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

On page 28, line 25, before the period, insert a comma and the following: "and no agricultural commodity which has been bought by any governmental agency shall be sold at a price below the market price for such commodity specified in clause (1) of clause (2) or section 3 (a) of this act, whichever is the higher."

PATRIOTIC ATTITUDE OF BOY SCOUTS OF AMERICA

Mr. CAPPER. Mr. President, it gives me pleasure to add my voice to those praising the work of the Boy Scouts of America, an organization which once again has placed its entire resources at the call of the Nation. Well does America know how great can be the service rendered by Boy Scouts in times of need.

I was glad to write to Dr. James E. West, chief Scout executive of the Boy Scouts of America, voluntarily expressing my personal enthusiasm for the official announcement he made on behalf of the Boy Scouts of America directly following the declaration of war. It was one of the first organizations, to my knowledge, that took formal action of this kind.

Mr. President, I ask unanimous consent to have printed in the RECORD the telegram sent to President Roosevelt by President Walter W. Head and Dr. James E. West, of the Boy Scout organization.

The VICE PRESIDENT. Without objection, it is so ordered.

The telegram is as follows:

At this time of national crisis we, on behalf of the Boy Scouts of America, assure you of the full and wholehearted cooperation of the entire active membership of our organization, numbering 1,500,000 boys and men. In addition there are some 10,000,000 others who have derived benefits from its program during the 31 years of its organized existence who, we feel sure, also stand with us, ready to assist in any and every manner possible in making effective the Government program resulting from your recommendation to Congress and its action in today declaring that a state of war exists between the United States of America and the Empire of Japan.

The efforts of the Boy Scouts of America during the last World War demonstrated that there are many projects which can be appropriately and successfully undertaken by boys of Scout age and with Scout training. Heretofore we have happily responded to your personal request to distribute posters publicizing defense savings bonds and stamps and to participate in the aluminum collection. Our efforts in the waste-paper collection currently in operation and in the civilian defense program will be further intensified. It will be our earnest purpose to embrace to the full measure of our capacity any and all other opportunities to render further service to our country.

Mr. CAPPER. Mr. President, in a splendid spirit of further cooperation, the Boy Scouts of America and the Office of Civilian Defense have drawn up an emergency program agreement signed by Hon. F. H. LaGuardia and Dr. James E. West. This agreement outlines the duties and responsibilities of each organization and provides for smooth cooperation. I ask unanimous consent to have printed in the RECORD a portion of the emergency-program agreement to which I have referred.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

Amongst other things, it was agreed that—The Boy Scouts of America, as a national organization operating under Federal charter, has the responsibility of maintaining an educational program of training boys in scoutcraft and outdoor skills and citizenship responsibilities, and in developing and molding character. It has developed and inaugurated a special program of emergency service train-

ing. Its regular training also includes first aid, firemanship, signaling, mapping, life-saving, pathfinding, and cooperation with others.

Since the Boy Scouts of America have one and one-half million boys and men trained and organized into 49,000 units in practically every community in the United States and Territories, it is desirable in the interests of national defense that their activities and ability to serve be coordinated as closely as possible with the civilian-protection program of the Office of Civilian Defense.

It is mutually agreed that the services of members of the Boy Scouts of America can immediately be utilized in the following enrolled volunteer groups of civilian-defense protection:

(A) Assisting emergency medical units.

(B) Fire watchers.

(C) Leadership in the development of adequate locally trained messenger service in which members of the Boy Scouts of America will have special designation, supplementing their uniform, indicative of their special training.

When a particular mission is assigned to the Boy Scouts of America, they will become a part of the civilian-defense organization during the performance of this mission and work under the general supervision and direction of the defense council.

Councils of defense and local Boy Scout councils will develop local plans of cooperation in accord with this joint statement and the fixed and stated policies of the Office of Civilian Defense and the Boy Scouts of America.

Mr. CAPPER. Mr. President, I also ask unanimous consent to have printed in the RECORD my tribute to the Boy Scouts of America.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

Many of us remember—I, for one—and most of us have heard of the invaluable aid which the Boy Scouts of America were able to give during the first World War. I will recall the splendid record which Scouts made in the sale of Liberty bonds then. Tirelessly and cheerfully these lads kept at their appointed tasks. Scout training was good in the days of the first World War—it showed up in Scout ability and willingness when a job had to be done. The Nation saw these things happen then and was thankful—thankful to the four-hundred-odd-thousand Scouts and Scout leaders who individually and as a group performed so brilliantly.

It was with considerable personal satisfaction that I watched the Boy Scout movement grow, especially during and immediately after the first World War. It was as if the Scouts, having come through their first great baptism of fire, as it were, were officially and nationally approved. Thousands of boys everywhere crowded each other to join this great movement. But it wasn't mushroom growth. Even in those early days I knew that scouting had its feet solidly on the ground. This growth has continued steadily through the years.

In these very momentous times I feel considerably safer as an American and far more hopeful of the future because the Boy Scout movement is as strong as it is in the United States. I look upon the youth of our country, as any intelligent person must, as the leaders and the followers of America tomorrow. The trust we must repose in our boys is important—grave. But with our active Boy Scout movement training them in character and citizenship that trust is well placed.

You see evidence all about you of the way Boy Scouts are assuming their responsibility

to their country. They are cooperating with the Treasury Department in many ways. They are placing conspicuously 5,000,000 posters for the Office of Civilian Defense on what to do during an air raid. They have collected 10,000,000 pounds of aluminum, and everywhere you see them collecting waste paper for their country. In the next few days Boy Scouts will be gathering books from the homes of America for the recreation centers for soldiers, sailors, marines, and members of the Coast Guard.

At the risk of appearing a sentimentalist, I say heartily, "Thank God for a movement like this one." On December 18 the national executive board of the Boy Scouts of America passed a resolution entitled, "What the Boy Scouts of America will do in wartimes." It is a restatement of the application of the Scout oath and law. In the light of the Scout record in peace as well as war this is not just an opportunist announcement to gain publicity. Those of us who have seen the Boy Scout movement develop know that this resolution is more liable to be an understatement of what Scouts eventually will do in these times.

The more one hears about Scouting the less sentimental it appears to thank God for Scouting, and the more logical.

It is a mathematical fact that 70 percent of the men studying at Annapolis to lead our naval forces are former Boy Scouts. West Point counts 68 percent of its cadets as former Boy Scouts. The Coast Guard Academy, which trains officers for that branch of the service, has 73 percent of its men with Scout training. Most recent figures inform me that 25 percent of the selectees now training in our armies have had Scout training.

These figures mean something. They mean that there is something fundamentally fine and strong in basic Scout training—something that develops the character and the citizenship that will continue to make democracy a living, vital way of life.

In closing I wish to pay final tribute to Scouting. What finer examples of Scouting could America seek than those brave officers and men who died valiantly in defense of our great flag in Hawaii and the Philippines.

I refer humbly to Capt. Colin P. Kelly, Jr., whose daring and heroic deeds in the Philippines will stand out in history. Captain Kelly was a Boy Scout in his native Madison, Fla. Kefe R. Connolly died for his country at Pearl Harbor as a member of the crew of the U. S. S. *Oklahoma*. In his home town of Markesan, Wis., Troop 28 is proud of their former senior patrol leader.

Lt. Gordon H. Sterling, Jr., another air officer performed heroic deeds in repelling the vicious Japanese air attacks on Hawaii. He was a Scout in West Hartford, Conn.

Robert Smith, formerly of Troop 13, Flushing, N. Y., was a member of the crew of the target ship *Utah* when the Jap raiders came over Oahu.

Lt. George S. Welch, more fortunate than the above men, was able to personally receive a citation for heroism in an air fight over Hawaii. He was a Scout of Troop 33, Wilmington, Del.

Many more former Scouts are daily performing heroic deeds—standing watch to defend America. These men are glad, I'm sure, that they had Scout training—I know we as a Nation are.

So when I say, "Thank God for Scouting," perhaps I'm more practical than sentimental.

MINORITY STOCKHOLDERS' ACTIONS AGAINST OFFICIALS OF CERTAIN CORPORATIONS

Mr. TOBEY. Mr. President, I ask unanimous consent to insert in the RECORD, at this point, a letter dated January 7, 1942, which I wrote to the senior Senator from Indiana [Mr. VAN NUYS], chair-

man of the Committee on the Judiciary, and a copy of a letter dated December 17, 1941, which I wrote to the Attorney General.

The VICE PRESIDENT. Without objection, it is so ordered.

The letters are as follows:

JANUARY 7, 1942.

HON. FREDERICK VAN NUYS,
*Chairman, Senate Judiciary Committee,
United States Senate.*

DEAR SENATOR VAN NUYS: I am enclosing a copy of a letter written December 17 to the Honorable Francis Biddle, Attorney General of the United States, which will explain itself.

This letter was written with reference to particular suits pending before the Federal District Court for the Southern District of New York and the New York State Supreme Court in a minority stockholders' action against officials of certain large corporations.

At this writing, I have had no reply to my letter and because of the subject matter and because of the fact the consent decrees which are sought are now being given consideration by the court, I thought the contents of my letter should be known to the Judiciary Committee of the Senate not only for their interest, but in case they might feel that some recommendation from this important committee would be helpful in correcting a situation that the facts indicate may need looking into.

In addition to my letter to Attorney General Biddle, I am enclosing a copy of the Senate hearings to which reference is made in my letter.

With assurances of my esteem, I am
Sincerely yours,

CHARLES W. TOBEY.

DECEMBER 17, 1941.

HON. FRANCIS BIDDLE,
*Attorney General of the United States,
Washington, D. C.*

DEAR SIR: Because of your interest in judicial reform as demonstrated by your recent appearance before the judiciary committee to testify on pending legislation to make more expeditious the removal of judicial officials suspected of conduct unworthy of a judge, I wish to bring to your attention the matter of consent decrees which do not always place our Federal courts in a most favorable light.

There is pending before the Federal District Court for the Southern District of New York, and also before the New York State Supreme Court, two very similar minority stockholders' actions against officials of certain large corporations, namely the Radio Corporation of America, General Electric Co., and Westinghouse Electric and Manufacturing Co. In those actions it is charged that certain officials illegally diverted from the Radio Corporation of America many millions of dollars. It is my understanding that the charges pending before the Federal District Court for the Southern District of New York in the case of *Salvez et al. v. Radio Corporation of America et al.* are similar to the charges contained in the case pending before the New York Supreme Court.

It has come to my attention that while those cases were on trial recently before the New York State Supreme Court certain officials of the General Electric Co. and the Westinghouse Electric & Manufacturing Co., through their attorneys, rather than testify in open court and subject themselves and others to examination have offered to pay out of the moneys of those two companies the sum of \$1,000,000. One element in the case that is of great interest to me is that this offer is conditioned on the dismissal without trial of the similar charges pending in the Federal

District Court for the Southern District of New York.

I believe that the new Federal rules of civil procedure provide that the justices of Federal courts must approve consent decrees in representative suits, presumably because of the interest of the great number of stockholders involved. According to that rule, it is my understanding that the justices of the Federal District Court for the Southern District of New York must approve such a settlement before such charges can be withdrawn.

Those suits were filed on the part of certain shareholders or their attorneys, representing but a fraction of 1 percent of some 16,000,000 shares issued and presumably those suits were instituted for the benefit of all the shareholders or of all parties similarly situated.

In view of the fact that 16,000,000 shares of stock have been issued by the Radio Corporation of America, and in view of the further fact that a dozen or more of the complainants' attorneys will deduct their fees, costs, and expenditures from the \$1,000,000 given in settlement, I fail to see how, under that agreement, any material financial benefit will accrue to the vast number of shareholders who invested their savings in this company.

That tentative consent decree is of special interest to me from a legislative viewpoint because of the fact that the offer to pay \$1,000,000 is conditioned upon the withdrawal by complainants' attorneys, without trial, of the similar charges pending before the Federal District Court for the Southern District of New York.

My interest is increased by the fact that that very matter was the subject some months ago of considerable discussion before the Senate Interstate Commerce Committee, of which I am a member.

The matter came before us in connection with the nomination of the late Federal Communications Commissioner, Thad H. Brown. At that time we were seeking to determine whether the officials of these large corporations had been guilty of dissipating the funds belonging to the stockholders. Two of the attorneys representing those large companies, namely, Messrs. Manton Davis and Joseph Proskauer, when questioned as to the details of the alleged dissipation of funds, begged the committee not to pry into the details thereof because those matters were pending before the courts where the charges would be fully met.

For instance, on page 311 of the hearings, copy of which I enclose, Mr. Proskauer says: "We shall meet that case in court from the time it comes, and I will assure this committee that there will never be a settlement of that case. I think this will be litigated and that all these things will be tried out in a court of law."

On page 315 of the same hearings we are told of the official positions held by Mr. Davis and Mr. Proskauer. Mr. Davis there says: "The R. C. A. has staff counsel, of which I am chief. In these cases we have trial counsel, and Judge Proskauer, who has addressed you, is the chief of the trial counsel for the defendants in this case."

"If my recollection serves me, sir, the illegality of the cross-licensing agreements which was the issue in the Government suit that was withdrawn by consent decree is realigned in these cases."

For instance, when I asked Mr. Proskauer this question, "That radio stock taken by General Electric and Westinghouse was not returned to R. C. A.?", Mr. Proskauer answered, "I cannot try that case here" (p. 315).

When I asked for further information, Mr. Davis replied: "Those are issues that are pending before the Court in respect to which I think you ought not to make us disclose our defenses" (p. 316).

There was a committee of Congress trying to determine whether irregularities existed in certain transactions. For 8 years cases had been filed against Radio Corporation of America by different individuals, but not once had Radio Corporation of America gone to trial on the issues, and the attorneys for Radio Corporation of America enjoined this committee from looking into the matter on the assurance that a full disclosure of the facts would be had at the trial.

I appreciate the fact that you, as Attorney General of the United States, have no control over the activities or conduct of the judges of the New York State Supreme Court. However, I would appreciate receiving your opinion as to whether a case can thus be taken out of the Federal district court without proper presentation of evidence before that court. Is it possible under existing rules of procedure to thus preclude trial on the merits of the case in a Federal court by a consent agreement approved by a State court, in a case such as this where minority shareholders seek an accounting of the moneys and other properties of the corporation?

The Senate Committee on Interstate Commerce, before which evidence was taken under oath on these matters, has not yet made a report to the Senate of the United States thereon. I am assuming that we will soon reach the point in our legislative work when we will have the time to consider the evidence taken and make such report and recommendations to the Senate as the members of the committee term advisable.

After you have had an opportunity to consider the serious charges made before the Senate Committee on Interstate Commerce, and the supporting evidence contained in the record of the hearings enclosed herewith, I would appreciate a statement from you as to whether or not, from your experience with Federal court procedure, there is need for additional legislation to protect parties involved in representative suits or whether there is any way under existing law whereby the interest of the shareholders can be protected, for instance, by calling the attention of the chief justice of the supreme court of New York to the long line of consent decrees that have preceded this last tentative agreement and the possibility of fraud existing therein.

Sincerely yours,

CHARLES W. TOBEY.

STATEMENT BY PAUL L. SPECHT

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement prepared by the famous band leader and pioneer in modern music, Hon. Paul L. Specht, of Sinking Spring, Pa.

The VICE PRESIDENT. Without objection, it is so ordered.

The letter is as follows:

That great soldier, statesman, scholar and master of men and nations, Napoleon Bonaparte, once said:

"Of all the fine arts, music has the greatest influence on the passions of men; therefore, the legislator should make it one of his chief concerns."

Is the United States of America and its Navy and Army Departments aware of the tremendous influence of music on its warriors, and are our Federal executives making music one of their chief concerns in building a supreme force of fighting men? Is the right kind of modern, soul-stirring music important to our fighting forces, and has our Government progressed in this direction of replacing the old type of military music with modern American swing music that our soldier boys between the ages of 18 and 35 like best?

Modern dance music is certainly not a luxury. It can be a powerful factor and necessity in building morale in our fighting tanks.

A great American recently said, "Entertainment and sports are the greatest antidote against hysteria, and we need them to win this war." Yes, one of the very best popular forms of entertainment for our young soldiers, is listening to popular swing music, especially when it is played in person. Obviously, the bulk of our new army consists of young men. They want new popular styles of music. The old type of brass-band music won't do any longer—not much more than old soldiers will satisfy our army chiefs. Old styles of music have passed down the road of oblivion just like our old soldiers have. The modern soldier is being fitted for modern fighting, and Uncle Sam must give his young soldiers that tonic with which they can express themselves and give themselves a satisfying diversion for recreation. Modern swing music will keep the emotions of our soldier boys normal and healthy. The United Service Organization Camp Shows, Inc., and other civilian agencies for providing satisfactory recreation for our soldier boys have failed with their projects—by their own admissions in the public press. Their lot seems like utter confusion, utter lack of unity, rumors of chiseling and lack of proper administration. The Army and Navy Departments of the United States of America can supply the medicine for this solution by drafting, recruiting, or inducting some of our best name-band musicians and leaders—the big "name" maestri to be given special ratings or commissions. A fair share of our Nation's 265 name-bands and their celebrated young personnel are needed now in our Army camps as much as they are needed in civilian life. These young swing musicians need an Uncle Sam maestro-executive to organize them into an administrative agency to build, rehearse, and foster modern swing music in our Army and Navy camps to entertain our soldiers in the camps nightly; to broadcast over the radio, and to play for camp shows of "hometown" talent available in every camp. Such musicians should be commandeered just as industry, science, and labor has been conscripted. Why is it that not one of our young top-flight "name-band" maestri has been drafted for military service of this kind? I am sure they are awaiting their country's call!

Over 40,000 musicians have already joined the Army, marines, and the Navy. These musicians should be classified and analyzed, and then molded into modern swing band units for recreation purposes in the camps, behind the firing lines, and on the firing lines to pep up their buddies, to play the native American kind of popular music as it was inspired and composed by our George Cohans, Irving Berlins, George Gershwins, and other present-day popular songwriters—the exhilarating kind of music that our doughboys sing in battle—the American melting pot of music bred in America by all the best mixture of nationalities—the kind that Hitler and Mussolini and the Japs don't like, because they can't play such music and so have even barred our kind of American music in their totalitarian hordes.

In this grand struggle and march of industry, science, and labor, our Nation needs an administrative division of modern popular music in our War Department now. This administrative division should coordinate all the musical activities in our Army, Navy, and the marines, and also in all war-related service and community groups throughout this Nation. This division should provide and encourage the performance of this type of modern American music in all the Army camps, air and naval stations. This type of printed music arrangement and the proper kind of suitable musical instruments should be purchased and properly distributed for use by our soldier jazz musicians now in our training camps and stations. Then qualified officer instructors and coaches should be appointed and assigned now for such service in organizing modern swing bands in all our

Army camps and naval stations. Cooperation and proper advice in this direction should be administered from a central office of this kind—a modern American music division in the United States of America War Department.

In conclusion, for psychological, physical, and historical reasons, may I respectfully request you to read pages 98 to 102, pages 122 to 125, and the chapter entitled "Tonocracy," on pages 147 to 156 of my recent book entitled, "How They Become Name Bands." I might also suggest that the first 13 chapters of this book should be a valuable treatise and acquisition for musicians and directors of all Army and Navy dance-band organizations now enlisted or for any future organizations that be authorized by the United States of America War Department and a new modern American music division of our Army and Navy morale department.

Respectfully submitted,

PAUL L. SPECHT,
Sinking Spring, Pa.

I am swing music. Servant and master am I; servant of those dead and master of those living. Through me spirits immortal speak the message that makes the world laugh, and wonder, and fight.

I tell the story of love, the story of hate, the story that saves, and the story of American life.

I am the incense upon which vigor floats through the United States of America. I am the smoke which palls over the field of battle where men lie dying with me on their lips.

I call the wanderer home; I rescue the soul from the depths; I quicken the heartbeats of the lovers; and through me the tired awaken to the living.

One I serve as I serve all; and the king I make my slave as easily as I subject his slave. I speak through the birds of the air, the insects of the field, the crash of waters on rock-ribbed shores, the sighing of wind in the trees, and I am even heard by the soul that knows me in the clatter of wheels on city streets.

I know no brother, yet all men are my brothers; I am the father of the best that is in them, and they are fathers of the best that is in me; I am of them, and they are of me.

For I am the instrument of pep, marching feet, and victory.

AMERICAN IRISH DEFENSE ASSOCIATION

Mr. WHEELER. Mr. President, I ask unanimous consent to have inserted in the RECORD a letter addressed to me by Professor Elliott, of Harvard University, and my answer to it.

The VICE PRESIDENT. Without objection, it is so ordered.

The letters are as follows:

HARVARD UNIVERSITY,
Cambridge, Mass., December 15, 1941.
Hon. BURTON K. WHEELER,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I want to be among those who, I am sure, number millions of our people to express their appreciation for your forthright words at this time when the Nation so needs unity. I think your remarks summed up the situation in the minds of all of us, those who had differed with you as well as those who had agreed with you before, better than anything that was said at the outbreak of the war. Your words had that fighting ring that we had learned to associate with you in your whole career, and that we missed sometimes in other quarters. They gave, I might say, a special comfort to those who had for years followed you as a leader of liberal democracy yet who had honestly to differ regretfully from your views about the nature of this war in the immediate past.

May I appeal to you in the spirit of reconciliation that I think ought to mark all

our efforts from now on to reconsider some remarks that you made in the CONGRESSIONAL RECORD of November 10, volume 87, page 8692, that brought me into the RECORD in a role that I am sure the facts in no way justify. I have been too busy to keep up with these matters and had not read your remarks until about a week ago. Someone recently called my attention to this portion of the CONGRESSIONAL RECORD and to my connection with it, and I want to put the truth of the matter before you and to ask you to correct the impression that you left on a very wide section of the American public to whom they have been given. My wife, for instance, informs me that in a broadcast which she listened to in our home near Boston I was credited by some of the debaters on a round table with being the person who inspired and organized the American Irish Defense Association.

This is the impression left by your remarks, though it is an honor that I am supposed to have shared with several other people in Government service. According to your charge in the RECORD we did this by an official meeting that took place on October 8, in Mr. Miller's office. I should be very proud to have had anything to do with the organization of this group, but I cannot claim that honor. On the record as you have given it you will see that both Mr. Bingham and I spoke of the remarks of Rossa F. Downing at the cooperative forum. This speech was at a meeting on Ireland that took place September 17. It was the first that I had ever heard of the American Irish Defense Association, and I very much admired the fine speech that Mr. Downing gave and went up and congratulated him afterward. I also met, at that time, two gentlemen from New York, Mr. Griffith and Mr. Henson, who represented the American Irish Defense Association at the meeting referred to in your speech in the RECORD. I suppose that the record that was sent you constituted the notes of one of these gentlemen, sent in all openness to the secretary of the Navy League, who was, we were told that day, a Mr. Sullivan, of Boston. The notes, as far as I could see, were substantially accurate in outline, though they naturally tried to give Mr. Sullivan the impression that the Irish committee had somewhat more backing than I think was the case at the meeting.

Let me give you the facts: Mr. Griffith called me up from New York and asked whether I would tell him through whom he would have to take up the matter of getting official sanction for the use of Navy Day by the organization which he represented. I told him I supposed it would have to be cleared both by the Civilian Defense, which Mr. Barry Bingham represented, and by the Navy Department whose public-relations officer, so far as I knew, was Mr. Adlai Stephenson.

He asked me to arrange a meeting of these gentlemen and asked whether he could try to interest Colonel Donovan as a "fighting Irishman" in the movement. I promised to try to arrange this and did so for the first part of his request, though we were unable to see Colonel Donovan, who was fully occupied with other matters. Therefore we met in the office of Mr. Douglas Miller, of his organization, merely as a matter of convenience, since we could not go into Colonel Donovan's office to discuss the matter.

The organization had certainly existed, to my knowledge, several weeks previous to this meeting, and I was told that it had been in existence a month or so prior to the meeting. It certainly was not created by the meeting. Indeed the only official purpose of the meeting was to clear the use of Navy Day and to find out whether the Office of Civilian Defense and the Navy saw any objections to launching a Nation-wide campaign for membership on that day.

As you will see from the record, as you give it, the Government officials, Mr. Thaddeus

Brown and Adlai Stephenson, who represented the Navy, and Mr. Barry Bingham, of the Office of Civilian Defense, felt that this was not a matter on which any official action could be taken one way or the other, since Navy Day was sponsored by the Navy League, and had no official status.

Of course, your implication that the Government in any way advanced funds to this organization or tried to bring it into existence is without any foundation. It also does a grave injustice to the true patriots, who at their own personal expense were the originators and supporters of the American Irish Defense Committee. May I ask you, in all fairness, to withdraw this entirely unfounded sentence that follows as a comment on the membership card of the American Irish Defense Association:

"Of course, they do not have to assume financial responsibility, because the expenses are to be paid either by England, or probably from funds provided by the Lease-Lend Act, or from money appropriated for the Coordinator, Colonel Donovan."

This is, of course, completely contrary to fact. I can only hope that this explanation of the meeting makes clear that Colonel Donovan did not even know of this organization, and that the Government officials were only there to clear the use of Navy Day. To suggest that the distinguished group of Washington citizens of Irish descent lent themselves to such design as you alleged in the heat of your speech does them the gravest wrong and strikes at the foundations of confidence in our Government.

Mr. Griffith and Mr. Henson were referred to Mr. Sullivan in Boston and I suppose this is the way in which the whole matter was called to your attention though I, of course, have no means of knowing.

It is perfectly true that all of us in Government circles certainly do support the aim of the American Irish Defense Association since that aim was to rally all Americans of Irish nationality to the support of the declared policy of this country. This aim is now an object that you, along with all other Americans agree is made necessary by the outbreak of the war. Even before that it was surely not wrong of us to feel that this association was performing a real service in rallying people of Irish descent to support America rather than Ireland and to avoid intruding the old quarrel into a situation that may mean life and death for our own country. I should think that any true meaning of "America first" would have made you feel the same way, America before Ireland, and I have no doubt that you will agree with me that we ought all to forget our racial origins, as you have many times said, in the defense of our country, though you differed honestly as to how it should be defended. There is no question that some individuals in the Government group expressed a warm approval of what was being done but we were unable in any official way to give any help and so told Mr. Griffith and Mr. Henson. The record that you have submitted bears this out.

Do you not feel, Mr. Senator, that you should correct a misimpression that has done a great deal of harm to the true originators of the American Irish Defense Association? I have not seen Mr. Rossa F. Downing since I heard of your charges against his association. I know him, however, to be a patriotic Irishman whose family have, for generations, given martyrs to the cause of Irish freedom.

As for me I was there not because of the Irish blood that I have in my veins, along with much other blood from the British Isles, but as an American and it was in that sense that I welcomed Mr. Downing's leadership and still do.

I may, however, claim to have had some part in the struggle to free Ireland during the years of her real oppression. It is today just for the record that I want to point out

to you that at a time when it was unpopular in England to the point of inviting violence I both spoke and protested other speakers for Irish freedom at meetings in many parts of England. There were once or twice pretty violent set-tos as a result of these speeches. No doubt the fights came from the British feeling that an American was interfering in what was a British problem. I do not regret that effort today when I feel that we must once again interfere to see that freedom exists in our world. Just after the war, where I had served as a commander of a battery of 75's, I was lucky enough to enlist the interests of my tutor at Balliol College, A. D. Lindsay, the well-known labor leader, later vice chancellor at Oxford, in the struggle for Irish freedom through the happy accident that he knew General Smuts, then Premier of South Africa and could put him in touch with the Irish patriots of Sinn Féin. The armistice was arranged which eventually led to the freedom of Ireland. But that is all ancient history, Senator. Today I know that you are agreed on the need of all Americans of whatever national origins uniting in the cause of defending America and defending freedom in America. It is because I count on you as a friend of freedom and of truth that I ask you to correct what I think was a very grave misinterpretation, both of the part that the Government officials played in the meeting that you have described and in particular to correct an impression that does a grave injustice to the true originators of the American Irish Defense Association, particularly men like Rossa F. Downing.

I believe that you will agree with me that you owe it to Mr. Downing and to the other organizers and members of the American Irish Defense Association to print this letter in the RECORD. In these times it is useful surely to heal wounds, particularly like those caused by a complete misconception such as came from your remarks of November 10. May I count on this courtesy?

Sincerely yours,

W. Y. ELLIOTT.

DECEMBER 17, 1941.

Prof. W. Y. ELLIOTT,
Office of Production Management,
Washington, D. C.

MY DEAR PROFESSOR ELLIOTT: I am in receipt of your letter of December 15, and in reply beg to state that I will be glad to put the same in the RECORD.

The information which came to me was to the effect that the organization was being financed by people other than those who were at the meeting.

I do not agree with you that as good Americans we should appeal to any particular class or to any particular race of individuals in this country and separate them into Irish-Americans, British-Americans, Italian-Americans, or German-Americans. I am an American, and I do not want to be known as a British-American just because of the fact that there is nothing but English blood flowing through my veins.

There have been entirely too many appeals made by various politicians to different racial groups, trying to line them up as Poles, Jews, Swedes, Italians, or what not, until today we are dividing many parts of the country into racial and religious groups, which has been one of the causes of the many conflicts in Europe. Either you are an American or you are not an American. Most people with whom I come in contact, whatever country their forebears may have come from, rightly resent the idea of being separated from America by a hyphen.

However, I will ask that your letter be inserted in the RECORD. I cannot withdraw the statements which I have made, as the information furnished me came from reliable sources.

Respectfully,

B. K. WHEELER.

FEDERAL RECLAMATION PROJECTS— STATEMENT BY F. O. HAGIE

Mr. WHEELER. Mr. President, I ask unanimous consent to have inserted in the RECORD a memorandum sent to me by F. O. Hagie, secretary-manager of the National Reclamation Association.

The VICE PRESIDENT. Without objection, it is so ordered.

The statement is as follows:

SHALL NEW FEDERAL RECLAMATION PROJECTS HELP MAKE UP THE FOOD AND FIBER SHORTAGE?

Who can say how much a two-ocean war will shrink the \$876,522,128 worth of agricultural products which were imported into this country for consumption during the first 9 months of 1941?

We do know, however, that the portion which can no longer get to our shores, for lack of shipping facilities, the American people will either go without or the American farmer will have to produce in kind or by substitutes by increasing his productive capacity.

In western America increasing agricultural productive capacity generally means providing supplemental water supplies for irrigation farmers or the bringing in of new agricultural lands by irrigation.

Numerous projects of both types now under construction should be reviewed in face of the present emergency to ascertain whether or not they should be expedited at this time in order to make up this deficit and to reach the 1942 farm-production goal which Secretary Wickard says calls for more milk, more eggs, more pork, more beef, more canned vegetables, more soybeans and peanuts, and a cut in production of wheat, cotton, and tobacco.

Several Federal reclamation projects, half or two-thirds completed, could be made to add much to the Nation's productive capacity within a year if now rushed to completion.

The agricultural imports for the first 9 months of 1941, as taken from the Monthly Summary of Foreign Commerce of the United States for September, are as follows:

Agricultural imports

Group 00:	Value of imports
Animals and animal products, edible.....	\$16,077,899
Meat products.....	16,594,345
Animal oils and fats, edible.....	260,749
Dairy products.....	3,504,598
Fish.....	20,682,422
Other edible animal products.....	1,108,045
	<hr/> 58,228,058
Group 0:	
Hides and skins (raw).....	56,905,720
Leather.....	4,946,056
Leather manufactures.....	2,089,851
Animal oils, fats, and greases, inedible.....	3,462,581
Other animal and animal products, inedible.....	26,639,933
	<hr/> 94,044,141
Group 1:	
Grains and preparations.....	16,473,458
Fodders and feeds.....	9,210,247
Vegetables and preparations.....	14,855,378
Fruits and preparations.....	33,360,456
Nuts and preparations.....	11,985,171
Vegetable oils and fats, edible.....	1,967,641
Cocoa, coffee, and tea.....	167,881,952
Sugar and related products.....	135,838,008
Beverages.....	38,521,230
	<hr/> 429,798,541

Agricultural imports—Continued

Group 2:	Value of imports
Oil seeds.....	\$22,555,356
Vegetable oils.....	39,738,201
Essential oils.....	6,662,166
Seeds, except oil seeds.....	1,453,175
Miscellaneous vegetable products.....	3,120,860
Jute, hemp.....	13,483,860
Other vegetable fibers.....	23,584,668
Wool and mohair, etc.....	163,272,285
Wool, semimanufactures.....	6,514,615
Wool, manufactures.....	14,066,202
	<hr/> 294,451,388

Total agricultural imports
of all groups for first 9
months of 1941..... 876,522,128

In reference to Russian and British food demands, Mr. L. V. Burton, editor of Food Industries, writing for the January 1 issue of the Washington Star, said, in part, as follows:

"In the next year, therefore, it seems likely that the demands on the United States for processed foods—i. e., foods manufactured into nonperishable form—will jump from a population demand of perhaps 140,000,000 today to about 200,000,000 by the end of 1942."

If new federally irrigated lands are going to be required to produce a part of the greatly increased demand for food, or to make up a part of the food deficit caused by curtailed imports, that fact should be ascertained now, so that construction work on such projects as may be needed could be expedited at once.

Respectfully submitted.

F. O. HAGIE,
Secretary-Manager, National
Reclamation Association.

FOUNDATIONS OF THE PEACE—ARTICLE BY THE VICE PRESIDENT

[Mr. DOWNEY asked and obtained leave to have printed in the RECORD an article entitled "Foundations of the Peace," written by Hon. HENRY A. WALLACE, Vice President of the United States, and printed in the current issue of the Atlantic Monthly, which appears in the Appendix.]

ST. PIERRE AND MIQUELON—LETTER FROM W. W. SANDERSON

[Mr. DOWNEY asked and obtained leave to have printed in the RECORD a letter addressed to him by W. W. Sanderson, of San Francisco, Calif., relative to the islands of St. Pierre and Miquelon, which appears in the Appendix.]

FRED FARNER AND DORIS M. SCHROEDER—CONFERENCE REPORT

Mr. BROWN submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3141) for the relief of Fred Farner and Doris M. Schroeder, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment, as follows:

In lieu of the figures "\$2,500" insert "\$3,000"; and the Senate agree to the same.

PRENTISS M. BROWN,
JOSEPH ROSIER,
ARTHUR CAPPER,

Managers on the part of the Senate.

DAN R. McGEHEE,
ROBERT RAMSPECK,

Managers on the part of the House.

The report was agreed to.

CATHARINE SCHULTZE—CONFERENCE REPORT

Mr. BROWN submitted the following report.

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4622) for the relief of Catharine Schultze, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment, as follows:

In lieu of the figures "\$2,000" insert "\$3,000"; and the Senate agree to the same.

PRENTISS M. BROWN,
JAMES H. HUGHES,
ARTHUR CAPPER,

Managers on the part of the Senate.

DAN R. McGEHEE,
ROBERT RAMSPECK,

Managers on the part of the House.

The report was agreed to.

PRICE CONTROL

The Senate resumed the consideration of the bill (H. R. 5990) to further the national defense and security by checking speculative and excessive price rises, price dislocations, and inflationary tendencies, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment, in the nature of a substitute, reported by the committee.

The amendment was to strike out all after the enacting clause and to insert:

TITLE I—GENERAL PROVISIONS AND AUTHORITY PURPOSES; TIME LIMIT; APPLICABILITY

SECTION 1. (a) It is hereby declared that it is in the interest of the national defense and security and necessary to the effective prosecution of the present war, and the purposes of this act are, to stabilize prices and to prevent speculative, unwarranted, and abnormal increases in prices and rents; to eliminate and prevent profiteering, hoarding, manipulation, speculation, and other disruptive practices resulting from abnormal market conditions or scarcities caused by or contributing to the national emergency; to protect persons with relatively fixed and limited incomes, consumers, wage earners, investors, and persons dependent on life insurance, annuities, and pensions, from undue impairment of their standard of living; to prevent hardships to persons engaged in business, to endowed schools, universities, and other institutions, and to the Federal, State, and local governments, which would result from abnormal increases in prices; to assist in securing adequate production of commodities and facilities; and to permit voluntary cooperation between the Government and producers, processors, and others to accomplish the aforesaid purposes. It shall be the policy of those departments and agencies of the Government dealing with wages (including the Department of Labor and its various bureaus, the War Department, the Navy Department, the Office of Production Management, the National Labor Relations Board, the Railway Labor Board, the National Defense Mediation Board, and others), within the limits of their authority and jurisdiction, to work toward a stabilization of prices and cost of production.

(b) The provisions of this act, and all regulations, orders, price schedules, and requirements thereunder, shall terminate on June 30, 1943, or upon the date of a proclamation by the President that the further continuance of the authority granted by this act

is not necessary in the interest of the national defense and security, or upon the date of enactment of an act of Congress terminating such authority, whichever date is the earlier; except that as to offenses committed, or rights or liabilities incurred, prior to such termination date, the provisions of this act and such regulations, orders, price schedules, and requirements shall be treated as still remaining in force for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability, or offense.

(c) The provisions of this act shall be applicable to the United States, its Territories and possessions, and the District of Columbia.

PRICES, RENTS, AND MARKET AND RENTING PRACTICES

SEC. 2. (a) Whenever in the judgment of the Price Administrator (provided for in sec. 201) the price or prices of a commodity or commodities have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this act, he may by regulation or order establish such maximum price or maximum prices as in his judgment will be generally fair and equitable and will effectuate the purposes of this act. So far as practicable, in establishing any maximum price, the Administrator shall ascertain and give due consideration to the prices prevailing between October 1 and October 15, 1941 (or if for any reason such period reflects abnormal market conditions for a particular commodity, then during the nearest 2-week period which is not abnormal as determined by the Administrator), for the commodity or commodities included under such regulation or order, and shall make adjustments for such relevant factors as he may determine and deem to be of general applicability, including the following: Speculative fluctuations, general increases or decreases in costs of production, distribution, and transportation, and general increases or decreases in profits earned by sellers of the commodity or commodities, during and subsequent to the year ended October 1, 1941. Every regulation or order issued under the foregoing provisions of this subsection shall be accompanied by a statement of the considerations involved in the issuance of such regulation or order. As used in the foregoing provisions of this subsection, the term "regulation or order" means a regulation or order of general applicability and effect. Whenever, in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this act, he may, without regard to the foregoing provisions of this subsection, issue temporary regulations or orders establishing as a maximum price or maximum prices the price or prices prevailing with respect to any commodity or commodities on the date of issuance of such temporary regulations or orders; but any such temporary regulation or order shall be effective for not more than 60 days, and may be replaced by a regulation or order issued under the foregoing provisions of this subsection.

(b) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this act, he shall issue declarations setting forth the necessity for, and recommendations with reference to, the stabilization or reduction of rents for defense-area housing accommodations within defense-rental areas. If within 60 days after the issuance of any such recommendations rents for any such accommodations have not in the judgment of the Administrator been stabilized or reduced by State or local regulation, or otherwise, in accordance with the recommendations, the Administrator shall by regulation or order establish such maximum rent or maximum rents for such accommodations as in his judgment will be generally fair and equitable and will effectuate the purposes of the act. So far as practicable, in estab-

lishing any maximum rent for any defense-area housing accommodations, the Administrator shall ascertain and give due consideration to the rents prevailing for such accommodations, or comparable accommodations, on or about the date (not earlier than April 1, 1940) on which, in the judgment of the Administrator, defense activities have resulted or threaten to result in an increase in the rents for housing accommodations inconsistent with the purposes of this act, and he shall make adjustments for such relevant factors as he may determine and deem to be of general applicability in respect of such accommodations, including increases or decreases in property taxes and other costs, subsequent to such date and for the preceding 12 months. In designating defense-rental areas, in prescribing maximum rents for such accommodations, and in selecting persons to administer such maximum rents, the Administrator shall, to such extent as he determines to be practicable, consider any recommendations which may be made by State and local officials concerned with housing or rental conditions in any defense-rental area.

(c) Any regulation or order under this act may be established in such form and manner, may contain such classifications and differentiations, and may provide for such adjustments and reasonable exceptions, as in the judgment of the Administrator are necessary or proper in order to effectuate the purposes of this act. Any regulation or order under this section which establishes a maximum price or maximum rent may provide for a maximum price or maximum rent below the price or prices prevailing for the commodity or commodities, or below the rent or rents prevailing for the defense-area housing accommodations, at the time of the issuance of such regulation or order.

(d) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this act, he may, by regulation or order, regulate or prohibit speculative or manipulative practices (including practices relating to changes in form or quality) or hoarding, in connection with any commodity, and speculative or manipulative practices or renting or leasing practices (including practices relating to recovery of the possession), in connection with any defense-area housing accommodations, which in his judgment are equivalent to or are likely to result in price or rent increases, as the case may be, inconsistent with the purposes of this act.

(e) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this act, he may, in order to obtain the maximum necessary production of any commodity, whether by purchase from marginal or high-cost producers or others, or to prevent price increases inconsistent with the purposes of this act, buy or sell at public or private sale, or store or use on behalf of the United States, any commodity, upon such terms as he shall deem necessary without regard to any provision of law requiring competitive bidding: *Provided*, That any materials which have been heretofore or may hereafter be defined as strategic and critical materials and supplies by the President pursuant to section 5d of the Reconstruction Finance Corporation Act, as amended, may be bought or sold or stored or used, in order to carry out the purposes of this act, only by corporations created or organized pursuant to said section 5d, upon such terms and conditions as they may determine, and only with the approval of the President and the Federal Loan Administrator; except that in the case of the sale of any commodity by any such corporation, the sale price therefor shall not exceed any maximum price established pursuant to subsection (a) of this section which is applicable to such commodity at the time of sale or delivery, but such sale price may be below such maximum price or below the purchase price of

such commodity, and the Administrator may make recommendations with respect to the buying or selling, or storage or use, of any such commodity. In any case in which a commodity is domestically produced, the powers granted to the Administrator by this subsection shall be exercised with respect to importations of such commodity only to the extent that, in the judgment of the Administrator, the domestic production of the commodity is not sufficient to satisfy the demand therefor. The proceeds of any sale by the Administrator under this subsection shall be used as a revolving fund for carrying out the provisions of this subsection. Nothing in this section shall be construed to modify, suspend, amend, or supersede any provision of the Tariff Act of 1930, as amended, and nothing in this section, or in any existing law, shall be construed to authorize any sale or other disposition of any agricultural commodity contrary to the provisions of the Agricultural Adjustment Act of 1938, as amended.

(f) No power conferred by this section shall be construed to authorize any action contrary to the provisions and purposes of section 3.

(g) Regulations, orders, and requirements under this act may contain such provisions as the Administrator deems necessary to prevent the circumvention or evasion thereof.

AGRICULTURAL COMMODITIES

SEC. 3. (a) No maximum price shall be established for any agricultural commodity below (1) the market price equivalent to 110 percent of the parity price or comparable price for such commodity, adjusted for grade, location, and seasonal differentials, as determined and published by the Secretary of Agriculture; or (2) the market price prevailing for such commodity on October 1, 1941.

(b) For the purposes of this act, parity prices shall be determined and published by the Secretary of Agriculture as authorized by law: *Provided*, That in the case of any agricultural commodity other than the basic crops—corn, wheat, cotton, rice, tobacco, and peanuts—the Secretary shall determine and publish a comparable price, whenever he finds, after investigation and public hearing, that the production and consumption of such commodity has so changed in extent or character since the base period as to result in a price out of line with parity prices for basic commodities.

(c) Any maximum price established for any commodity processed or manufactured in whole or substantial part from any agricultural commodity shall be consistent with the purposes set forth in subsection (a) of this section and shall not be established in any manner as to circumvent, vitiate, or prevent the effectuation of such purposes.

(d) No provision of this act or of any existing law shall be construed to authorize any action contrary to the provisions and purposes of this section.

(e) If a maximum price has been established for any agricultural commodity and thereafter a parity price as determined and published by the Secretary of Agriculture is more than 3 percent above or below the parity price to which the prevailing maximum price applies, the maximum price established for such commodity shall be readjusted and based upon such later parity price until a further adjustment is required under this subsection.

PROHIBITIONS

SEC. 4. (a) It shall be unlawful, regardless of any contract, agreement, lease, or other obligation heretofore or hereafter entered into, for any person to sell or deliver any commodity, or in the course of trade or business to buy or receive any commodity, or to demand or receive any rent for any defense-area housing accommodations, or otherwise to do or omit to do any act, in violation of any regulation or order establishing a maximum price or maximum rent, or of any other

regulation, order, or requirement under this act, or to offer, solicit, attempt, or agree to do any of the foregoing. As used in this subsection, the term "maximum price" shall include (1) any price schedule issued by the Administrator of the Office of Price Administration or the Administrator of the Office of Price Administration and Civilian Supply, prior to the date upon which the Administrator provided for by section 201 of this act takes office, which is effective in accordance with the provisions of section 206 of this act, or (2) any maximum price established by a regulation or order issued by such Administrator after he takes office.

(b) It shall be unlawful for any person to remove or attempt to remove from any defense-area housing accommodations the tenant or occupant thereof or to refuse to renew the lease or agreement for the use of such accommodations, because such tenant or occupant has taken, or proposes to take, action authorized or required by this act or any regulation, order, or requirement thereunder.

(c) It shall be unlawful for any officer or employee of the Government, or for any adviser or consultant to the Administrator in his official capacity, to disclose, otherwise than in the course of official duty, any information obtained under this act, or to use any such information, for personal benefit.

(d) Nothing in this act shall be construed to require any person to sell any commodity or to offer any accommodations for rent.

VOLUNTARY AGREEMENTS

SEC. 5. In carrying out the provisions of this act, the Administrator is authorized to confer with producers, processors, manufacturers, retailers, wholesalers, and other groups having to do with commodities, and with representatives and associations thereof, to cooperate with any agency or person, and to enter into voluntary arrangements or agreements with any such persons, groups, or associations relating to the fixing of maximum prices, the issuance of other regulations or orders, or otherwise.

TITLE II—ADMINISTRATION AND ENFORCEMENT

ADMINISTRATION

SEC. 201. (a) There is hereby created an Office of Price Administration, which shall be under the direction of a Price Administrator (referred to in this act as the "Administrator"). The Administrator shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$12,000 per annum. The Administrator may, subject to the civil-service laws, appoint such employees as he deems necessary in order to carry out his functions and duties under this act, and shall fix their compensation in accordance with the Classification Act of 1923, as amended. The Administrator may utilize the services of Federal, State, and local agencies and may utilize and establish such regional, local, or other agencies, and utilize such voluntary and uncompensated services, as may from time to time be needed. Attorneys appointed under this section may appear for and represent the Administrator in any case in any court. In the appointment, selection, classification, and promotion of officers and employees of the Office of Price Administration, no political test or qualification shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency.

(b) The principal office of the Administrator shall be in the District of Columbia, but he or any duly authorized representative may exercise any or all of his powers in any place. The President is authorized to transfer any of the powers and functions conferred by this act upon the Office of Price Administration with respect to a particular

commodity or commodities to any other department or agency of the Government having other functions with relation to such commodity or commodities, and to transfer to the Office of Price Administration any of the powers and functions conferred by law upon any other department or agency of the Government with respect to any particular commodity or commodities other than agricultural commodities, including the power to order priorities, purchase, sell, store, handle, or otherwise deal with any such commodity or commodities.

(c) The Administrator shall have authority to make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere; for lawbooks and books of reference; and for paper, printing, and binding) as he may deem necessary for the administration and enforcement of this act. The provisions of section 3709 of the Revised Statutes shall not apply to the purchase of supplies and services by the Administrator where the aggregate amount involved does not exceed \$250.

(d) The Administrator may, from time to time, issue such regulations and orders as he may deem necessary or proper in order to carry out the purposes and provisions of this act.

SEC. 202. (a) The Administrator may make such studies and investigations, and obtain or require the furnishing of such information under oath or affirmation or otherwise, as he deems necessary or proper to assist him in prescribing any regulation or order under this act, or in the administration and enforcement of this act and regulations, orders, and price schedules thereunder. For such purposes the Administrator may administer oaths and affirmations, may require by subpoena or otherwise the attendance and testimony of witnesses and the production of documents at any designated place, may require persons to permit the inspection and copying of documents, the inspection of defense-area housing accommodations, and the inspection of inventories, and may, by regulation or order, require the making and keeping of records and other documents and the making of reports. No person shall be excused from complying with any requirements under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (U. S. C., 1934 ed., title 49, sec. 46), shall apply with respect to any individual who specifically claims such privilege.

(b) The Administrator shall not publish or disclose any information obtained under this act that such Administrator deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information, unless he determines that the withholding thereof is contrary to the interest of the national defense and security.

PROCEDURE

SEC. 203. (a) Within a period of 60 days after the issuance of any regulation or order under section 2, or in the case of a price schedule, within a period of 60 days after the effective date thereof specified in section 206, any person subject to any provision of such regulation, order, or price schedule may, in accordance with regulations to be prescribed by the Administrator, file a protest specifically setting forth objections to any such provision and affidavits or other written evidence in support of such objections. At any time after the expiration of such 60 days any person subject to any provision of such regulation, order, or price schedule may file such a protest based solely on grounds arising after the expiration of such 60 days. Statements in support of any such regulation, order, or price schedule may be received and incorporated in the transcript of the proceedings at such times and in accordance with such regulations as may be

prescribed by the Administrator. Within a reasonable time after the filing of any protest under this subsection, but in no event more than 30 days after such filing or 90 days after the issuance of the regulation or order (or in the case of a price schedule, 90 days after the effective date thereof specified in section 206) in respect of which the protest is filed, whichever occurs later, the Administrator shall either grant or deny such protest in whole or in part, notice such protest for hearing, or provide an opportunity to present further evidence in connection therewith. In the event that the Administrator denies any such protest in whole or in part, he shall inform the protestant of the grounds upon which such decision is based, and of any economic data and other facts of which the Administrator has taken official notice.

(b) In the administration of this act the Administrator may take official notice of economic data and other facts, including facts found by him as a result of action taken under section 202.

(c) Any proceedings under this section may be limited by the Administrator to the filing of affidavits, or other written evidence, and the filing of briefs.

REVIEW

SEC. 204. (a) Any protestant who is aggrieved by the denial or partial denial of his protest may, within 30 days after such denial, file a complaint with the Emergency Court of Appeals, created pursuant to subsection (c), specifying his objections and praying that the regulation, order, or price schedule protested be enjoined or set aside in whole or in part. A copy of such complaint shall forthwith be served on the Administrator, who shall certify and file with such court a transcript of such portions of the proceedings in connection with the protest as are material under the complaint. Such transcript shall include a statement setting forth, so far as practicable, the economic data and other facts of which the Administrator has taken official notice. Upon the filing of such complaint the court shall have exclusive jurisdiction to set aside such regulation, order, or price schedule, in whole or in part, to dismiss the complaint, or to remand the proceeding: *Provided*, That the regulation, order, or price schedule may be modified or rescinded by the Administrator at any time notwithstanding the pendency of such complaint. No objection to such regulation, order, or price schedule, and no evidence in support of any objection thereto, shall be considered by the court, unless such objection shall have been set forth by the complainant in the protest or such evidence shall be contained in the transcript. If application is made to the court by either party for leave to introduce additional evidence which was either offered to the Administrator and not admitted, or which could not reasonably have been offered to the Administrator or included by the Administrator in such proceedings, and the court determines that such evidence should be admitted, the court shall order the evidence to be presented to the Administrator. The Administrator shall promptly receive the same, and such other evidence as he deems necessary or proper, and thereupon he shall certify and file with the court a transcript thereof and any modification made in the regulation, order, or price schedule as a result thereof; except that on request by the Administrator, any such evidence shall be presented directly to the court.

(b) No such regulation, order, or price schedule shall be enjoined or set aside, in whole or in part, unless the complainant establishes to the satisfaction of the court that the regulation, order, or price schedule is not in accordance with law, or is arbitrary or capricious. The effectiveness of a judgment of the court enjoining or setting aside, in whole or in part, any such regulation, order, or price schedule shall be postponed until

the expiration of 30 days from the entry thereof, except that if a petition for a writ of certiorari is filed with the Supreme Court under subsection (d) within such 30 days, the effectiveness of such judgment shall be postponed until an order of the Supreme Court denying such petition becomes final, or until other final disposition of the case by the Supreme Court.

(c) There is hereby created a court of the United States to be known as the Emergency Court of Appeals, which shall consist of three or more judges to be designated by the Chief Justice of the United States from judges of the United States district courts and circuit courts of appeals. The Chief Justice of the United States shall designate one of such judges as chief judge of the Emergency Court of Appeals, and may, from time to time, designate additional judges for such court and revoke previous designations. The chief judge may, from time to time, divide the court into divisions of three or more members, and any such division may render judgment as the judgment of the court. The court shall have the powers of a district court with respect to the jurisdiction conferred on it by this act; except that the court shall not have power to issue any temporary restraining order or interlocutory decree staying or restraining, in whole or in part, the effectiveness of any regulation or order issued under section 2 or any price schedule effective in accordance with the provisions of section 206. The court shall exercise its powers and prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction under this act. The court shall have a seal, hold sessions at such places as it may specify, and appoint a clerk and such other employees as it deems necessary or proper.

(d) Within 30 days after entry of a judgment or order, interlocutory or final, by the Emergency Court of Appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a circuit court of appeals as provided in section 240 of the Judicial Code, as amended (U. S. C., 1934 ed., title 28, sec. 347). The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this subsection. The Emergency Court of Appeals, and the Supreme Court upon review of judgments and orders of the Emergency Court of Appeals, shall have exclusive jurisdiction to determine the validity of any regulation or order issued under section 2, of any price schedule effective in accordance with the provisions of section 206, and of any provision of any such regulation, order, or price schedule. Except as provided in this section, no court, Federal, State, or Territorial, shall have jurisdiction or power to consider the validity of any such regulation, order, or price schedule, or to stay, restrain, enjoin, or set aside, in whole or in part, any provision of this act authorizing the issuance of such regulations or orders, or making effective any such price schedule, or any provision of any such regulation, order, or price schedule, or to restrain or enjoin the enforcement of any such provision.

ENFORCEMENT

Sec. 205. (a) Whenever in the judgment of the Administrator any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of section 4 of this act, he may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and upon a showing by the Administrator that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

(b) Any person who willfully violates any provision of section 4 of this act, and any person who makes any statement or entry false in any material respect in any document or report required to be kept or filed under section 2 or section 202, shall, upon conviction thereof, be subject to a fine of not more than \$5,000, or to imprisonment for not more than 2 years in the case of a violation of section 4 (c) and for not more than 1 year in all other cases, or to both such fine and imprisonment. Whenever the Administrator has reason to believe that any person is liable to punishment under this subsection, he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

(c) The district courts shall have jurisdiction of criminal proceedings for violations of section 4 of this act, and, concurrently with State and Territorial courts, of all other proceedings under section 205 of this act. Such criminal proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred. Except as provided in section 205 (f) (2), such other proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred, and may also be brought in the district in which the defendant resides or transacts business, and process in such cases may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found. Any such court shall advance on the docket and expedite the disposition of any criminal or other proceedings brought before it under this section. No costs shall be assessed against the Administrator or the United States Government in any proceeding under this act.

(d) No person shall be held liable for damages or penalties in any Federal, State, or Territorial court, on any grounds for or in respect of anything done or omitted to be done in good faith pursuant to any provision of this act or any regulation, order, price schedule, requirement, or agreement entered into thereunder, or under any price schedule of the Administrator of the Office of Price Administration or of the Administrator of the Office of Price Administration and Civilian Supply, notwithstanding that subsequently such provision, regulation, order, price schedule, requirement, or agreement may be modified, rescinded, or determined to be invalid. In any suit or action wherein a party relies for ground of relief or defense upon this act or any regulation, order, price schedule, requirement, or agreement thereunder, the court having jurisdiction of such suit or action shall certify such fact to the Administrator. The Administrator may intervene in any such suit or action.

(e) If any person selling a commodity violates a regulation, order, or price schedule prescribing a maximum price or maximum prices, the person who buys such commodity for use or consumption other than in the course of trade or business may bring an action either for \$50 or for treble the amount by which the consideration exceeded the applicable maximum price, whichever is the greater, plus reasonable attorney's fees and costs as determined by the court. For the purposes of this section the payment or receipt of rent for defense-area housing accommodations shall be deemed the buying or selling of a commodity, as the case may be. If any person selling a commodity violates a regulation, order, or price schedule prescribing a maximum price or maximum prices, and the buyer is not entitled to bring suit or action under this subsection, the Administrator may bring such action under this subsection on behalf of the United States. Any suit or action under this subsection may be brought in any court of competent jurisdiction, and shall be instituted within 1 year after delivery is completed or rent is paid. The provisions of this subsection shall not take effect until after the expiration of 6

months from the date of enactment of this act.

(f) (1) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this act and to assure compliance with and provide for the effective enforcement of any regulation or order issued or which may be issued under section 2, or of any price schedule effective in accordance with the provisions of section 206, he may by regulation or order issue to or require of any person or persons subject to any regulation or order issued under section 2, or subject to any such price schedule, a license as a condition of selling any commodity or commodities with respect to which such regulation, order or price schedule is applicable. It shall not be necessary for the Administrator to issue a separate license for each commodity or for each regulation, order or price schedule with respect to which a license is required. No such license shall contain any provision which could not be prescribed by regulation, order, or requirement under section 2 or section 202: *Provided*, That no such license may be required as a condition of selling or distributing (except as waste or scrap) newspapers, periodicals, books, or other printed or written material, or as a condition of selling radio time: *Provided further*, That no license may be required of any farmer as a condition of selling any agricultural commodity produced by him: *Provided further*, That in any case in which such a license is required of any person, the Administrator shall not have power to deny to such person a license to sell any commodity or commodities, unless such person already has such a license to sell such commodity or commodities, or unless there is in effect under paragraph (2) of this subsection with respect to such person an order of suspension of a previous license to the extent that such previous license authorized such person to sell such commodity or commodities.

(2) Whenever in the judgment of the Administrator a person has violated any of the provisions of a license issued under this subsection, or has violated any of the provisions of any regulation, order, or requirement under section 2 or section 202, or any of the provisions of any price schedule effective in accordance with the provisions of section 206, which is applicable to such person, a warning notice shall be sent by registered mail to such person. If the Administrator has reason to believe that such person has again violated any of the provisions of such license, regulation, order, price schedule, or requirement after receipt of such warning notice, the Administrator may petition any State or Territorial court of competent jurisdiction, or a district court subject to the limitations hereinafter provided, for an order suspending the license of such person for any period of not more than 12 months. If any such court finds that such person has violated any of the provisions of such license, regulation, order, price schedule, or requirement after the receipt of the warning notice, such court shall issue an order suspending the license to the extent that it authorizes such person to sell the commodity or commodities in connection with which the violation occurred, or to the extent that it authorizes such person to sell any commodity or commodities with respect to which a regulation or order issued under section 2 is applicable; but no such suspension shall be for a period of more than 12 months. For the purposes of this subsection, any such proceedings for the suspension of a license may be brought in a district court if the licensee is doing business in more than one State, or if his principal place of business is located in or within 50 miles of a city or community in which a district court regularly convenes, or if his gross sales exceed \$50,000 per annum. Within 30 days after the entry of the judgment or order of any court either suspending a license, or dismissing or denying in whole or in part the

Administrator's petition for suspension, an appeal may be taken from such judgment or order in like manner as an appeal may be taken in other cases from a judgment or order of a State, Territorial, or district court, as the case may be. The Administrator may modify or rescind the requirement of a license at any time. Upon good cause shown, any such order of suspension may be stayed by the appropriate court or any judge thereof in accordance with the applicable practice. Any such order of suspension shall be affirmed by the appropriate appellate court if, under the applicable rules of law, the evidence in the record supports a finding that there has been a violation of any provision of the license after the person to whom such license was issued has received a warning notice. No proceedings for suspension of a license, and no such suspension, shall confer any immunity from any other provision of this act.

SAVING PROVISIONS

SEC. 206. Any price schedule establishing a maximum price or maximum prices, issued by the Administrator of the Office of Price Administration or the Administrator of the Office of Price Administration and Civilian Supply, prior to the date upon which the Administrator provided for by section 201 of this act takes office, shall, from such date have the same effect as if issued under section 2 of this act until such price schedule is superseded by action taken pursuant to such section 2. Such price schedules shall be consistent with the standards contained in section 2 and the limitations contained in section 3 of this act, and shall be subject to protest and review as provided in section 203 and section 204 of this act. All such price schedules shall be reprinted in the Federal Register within 10 days after the date upon which such Administrator takes office.

TITLE III—MISCELLANEOUS

QUARTERLY REPORT

SEC. 301. The Administrator from time to time, but not less frequently than once every 90 days, shall transmit to the Congress a report of operation under this act. If the Senate or the House of Representatives is not in session, such reports shall be transmitted to the Secretary of the Senate, or the Clerk of the House of Representatives, as the case may be.

DEFINITIONS

SEC. 302. As used in this act—

(a) The term "sale" includes sales, dispositions, exchanges, leases, and other transfers, and contracts and offers to do any of the foregoing. The terms "sell," "selling," "seller," "buy," and "buyer," shall be construed accordingly.

(b) The term "price" means the consideration demanded or received in connection with the sale of a commodity.

(c) The term "commodity" means commodities, articles, products, and materials (except books, magazines, periodicals and newspapers, other than as waste or scrap), and it also includes services rendered otherwise than as an employee in connection with the processing, distribution, storage, installation, repair, or negotiation of purchases or sales of a commodity, or in connection with the operation of any service establishment for the servicing of a commodity: *Provided*, That nothing in this act shall be construed to authorize the regulation of (1) compensation paid by an employer to any of his employees, or (2) rates charged by any common carrier or other public utility, or (3) rates charged by any person engaged in the business of selling or underwriting insurance, or (4) rates charged by any person engaged in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio-broadcasting station, or (5) rates charged for any professional services.

(d) The term "defense-rental area" means the District of Columbia and any area designated by the Administrator as an area where defense activities have resulted or threaten

to result in an increase in the rents for housing accommodations inconsistent with the purposes of this act.

(e) The term "defense-area housing accommodations" means housing accommodations within any defense-rental area.

(f) The term "housing accommodations" means any building, structure, or part thereof, or land appurtenant thereto, or any other real or personal property rented or offered for rent for living or dwelling purposes (including houses, apartments, hotels, rooming or boarding house accommodations, and other properties used for living or dwelling purposes), together with all privileges, services, furnishings, furniture, and facilities connected with the use or occupancy of such property.

(g) The term "rent" means the consideration demanded or received in connection with the use or occupancy or the transfer of a lease of any housing accommodations.

(h) The term "person" includes an individual, corporation, partnership, association, or any other organized group of persons, or legal successor or representative of any of the foregoing, and includes the United States or any agency thereof, or any other government, or any of its political subdivisions, or any agency of any of the foregoing: *Provided*, That no punishment provided by this act shall apply to the United States, or to any such government, political subdivision, or agency.

(i) The term "maximum price," as applied to prices of commodities, means the maximum lawful price for such commodities, and the term "maximum rent" means the maximum lawful rent for the use of defense-area housing accommodations. Maximum prices and maximum rents may be formulated, as the case may be, in terms of prices, rents, margins, commissions, fees, and other charges, and allowances.

(j) The term "documents" includes records, books, accounts, correspondence, memoranda, and other documents, and drafts and copies of any of the foregoing.

(k) The term "district court" means any district court of the United States, and the United States Court for any Territory or other place subject to the jurisdiction of the United States; and the term "circuit courts of appeals" includes the United States Court of Appeals for the District of Columbia.

SEPARABILITY

SEC. 303. If any provision of this act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other persons or circumstances shall not be affected thereby.

APPROPRIATIONS AUTHORIZED

SEC. 304. There are authorized to be appropriated such sums as may be necessary or proper to carry out the provisions and purposes of this act.

APPLICATION OF EXISTING LAW

SEC. 305. No provision of law in force on the date of enactment of this act shall be construed to authorize any action inconsistent with the provisions and purposes of this act.

SHORT TITLE

SEC. 306. This act may be cited as the "Emergency Price Control Act of 1942."

Mr. BANKHEAD. Mr. President, I desire to submit a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Alabama will state it.

Mr. BANKHEAD. The report of the committee on the pending measure does not present the House bill with recommended amendments.

As we all know when a committee reports a House bill with amendments, the usual practice is to obtain an agreement to act first on the committee amend-

ments. In this case, instead of presenting the House bill with amendments, the committee has reported one amendment to the entire bill, striking out all after the enacting clause. I think that is a good way to deal with the matter. I am not critical about that phase of the subject, because there are a number of amendments; but the point is, How are amendments to be considered? We have before us a new bill, and we have provisions passed by the House which are not included in the bill as reported to the Senate.

The VICE PRESIDENT. The Chair rules that the committee amendment is in the nature of a substitute, and therefore amendments may be offered as though the amendment were an original bill.

Mr. BANKHEAD. And the sections of the House bill which are omitted will be regarded as eliminated if the substitute is adopted? Is that the idea?

The VICE PRESIDENT. If the Senate adopts the substitute, it naturally strikes out all the House bill.

Mr. BANKHEAD. Very well. I have notice that at the first opportunity I shall call up the amendment I have offered.

Mr. TAFT. Mr. President, while I have one or two amendments to offer to the pending bill, at the present time I wish to speak generally in favor of the passage of the bill and the importance of passing it in an effective form.

Mr. Henderson started a long time ago to fix prices, without the least vestige or shadow of legal authority. I protested against that attempt at that time, and as long ago as April 26—nearly 9 months from this time—I said:

To secure efficient coordination Congress should immediately enact a statute defining what powers over prices and production the Government must have during the present emergency, limiting the time during which those powers can be exercised, providing for an appeal to a board or a court, and limiting the powers which are definitely required to prevent inflation and subsequent depression.

Certainly no one is more opposed to price fixing in time of peace, in time when there is no emergency, than I am. It is a power which undoubtedly gives government power over life and death of industry. It is a power which disturbs all the normal processes of the free enterprise system, and I certainly should not be for it at the present time unless I thought it was today vitally necessary.

The alternative seems to me to be worse. I believe that if we do not pass a price-control bill we may well see prices mounting to a hundred, two hundred, three hundred, or four hundred percent of what they were when the crisis began. We have already seen the beginning of that process. Yesterday morning I read the report of one index showing that in the last 12 months the increase in wholesale prices has been from 100 to 120 percent, on the average, an increase of 20 percent. There was some increase before that.

During the World War prices increased 120 percent, until they reached about 220 percent of what they were when the war started. Of course, there was practically no control during the first 2 years of the World War, before we were in it.

There was no control, and during that time prices increased approximately 80 percent. At this time we face even a larger threat. From the Budget figures which were presented by the President yesterday we see that we have a tremendously increased purchasing power in the United States.

The deficit for the first 6 months of this fiscal year amounted to \$7,300,000,000, plus whatever Jesse Jones may have spent. The President's estimate of the deficit for this entire fiscal year is \$18,000,000,000. His estimate of the deficit for next year, even after the imposition of additional taxes, is \$40,000,000,000.

Personally, it seems to me that we must look forward and prepare, whatever we may hope, for a war lasting 5 years, and I see no hope of balancing the Budget during that period, or preventing a tremendous increase in national debt. I think we shall be lucky if at the end of 5 years the debt is not well over \$150,000,000,000, and during that entire time the Government will practically be creating purchasing power out of thin air. We will be paying all the people in the munitions and other plants money with which they can go out and buy everything produced in the United States. To a certain extent, the extent to which we raise taxes, the extent to which we get money from savings, the increase is represented by existing purchasing power; but during the calendar year 1941 the banks have increased their holdings of Government bonds by \$5,000,000,000, which represents pure inflation, pure creation of purchasing power which did not exist, and does not represent production of any value to the civilian population of the United States.

I believe that, regardless of how we may sell defense bonds, it will be necessary to sell a considerable number of bonds to the various banks of the United States, against which they create deposits which are used for additional purchases, at the same time that we are cutting down the supply of practically every commodity which those people must buy. So that if there is no other action than fiscal action, than that which the Treasury may take, it seems to me essential that we try our best to create some form of legal price control, to prevent prices getting out of hand.

I am not too optimistic. We are combatting basic forces which are not easy to combat. If we can possibly hold the increase in prices to 10 percent a year we will have done an extraordinary job, in my opinion. In the last month wholesale prices have increased 3 percent, in 1 month. If we can hold the increase to 10 percent a year, or approximately 1 percent a month, we will have made a real accomplishment, and at the end of 5 years prices will be half again as high as when they began to rise, and there will be real hardship, but it will be nothing to what can happen if we do not attempt any control whatsoever.

Every group is affected. We hear talk about the farmers and laborers, but every man in the country will suffer from any such inflation of prices as is threatened if we do not take some action on the pending bill.

Of course, it is obvious that wages do not rise as fast as commodity prices. Commodity prices are much more liquid. Wages are ordinarily fixed for a year, and an increase of 10 or 20 percent is not likely to be repeated during the same year. Naturally even wage earners suffer. Obviously, people with fixed salaries suffer even more. Obviously, there is a threat to the very existence of endowed institutions, a large number of which are engaged in the education of our youth. If prices are raised to three or four times what they are, those institutions will have a hard time to survive.

I think the farmer himself suffers when there is an undue rise in prices. We had the example of tremendous inflation in farm prices during the World War, which resulted in a tremendous increase in the price of farm land, leading to bankruptcy for millions of farmers. I do not think anyone in the United States can gain from a complete distortion of prices such as will exist with uncontrolled inflation of prices.

Of course, after the war, the more prices get out of line, the more they get into different adjustments from the normal adjustment, the more violent the reaction will be, the more likely we are to have unemployment, the more likely we are to have depression. Looking forward to the period after the war, we should, so far as we can, hold the present relationships as they are, and not create a distorted position which will result in suffering for every class of people in the United States. The Senator from Michigan (Mr. Brown) referred to the tremendous increased cost of the defense program to the Government and the difficulty of all local governments in trying to meet the price increases.

There are other elements of inflation also, because in the last year, so far as I can ascertain, bank loans to private individuals have increased about \$4,000,000,000, and installment sales have probably increased a billion dollars. Those also should be restrained, and they are elements we have to meet in any period of great industrial expansion such as we have today.

The question is how prices can be held down. I do not believe they can be held down unless every class of citizens—farmers, laborers, and businessmen alike—recognizes that everyone must agree that prices and wages shall be more or less stabilized at the present level. There may be adjustments of minor importance. The question between 100 percent and 110 percent of parity seems to me a very minor question, compared with what we will have to face in the future; but fundamentally every group must agree that they must keep their prices and their wages in fairly close relation to what exists today. We can only undertake a program of stabilization.

Of course, there are other ways. We should also, so far as we can, reduce the deficit. We should reduce nondefense expenditures. We should increase taxes as much as we can. We should sell all the bonds we can to individuals so as to represent real savings. We can conserve many different kinds of commodities.

We can perhaps increase the production of some. Yet I think when we get all through with that any such program as we face today means an inflation of prices unless we go ahead with price control.

The question is whether the bill is appropriate to that purpose. I think in general it is appropriate to that purpose. Of course, it gives tremendous power to do arbitrary things to everyone in the United States. We must recognize that. When we talk about protecting the farmer, by providing that you cannot place his maximum price below 110 percent of parity, that is a reasonable protection; but nobody else is getting that protection. It is true that we refer to the price from October 1 to 15. It is true that we say the price must be adjusted after that as the cost of production changes. But as a practical matter, the discretion given to the Administrator is wide open, and I do not believe there is in the bill provision for reviewing or revising his view of that situation. The people who are engaged in the mining business, the people who are engaged in other lines of business, have no appeal from his decision that is of any practical value.

I am in favor of 100 percent of parity, and perfectly willing to take 110 percent of parity, but I think it ought to be clear that what we are doing is to protect the farmer against something that we are not protecting anybody else against, and that we are giving, and we must realize that we cannot pass a bill of this kind without giving arbitrary powers to somebody. The powers are so vast that I have offered an amendment to let the actual price fixing be done by a board, an amendment which I shall discuss tomorrow. But, in any event, there seems to me to be no way in which we can seriously or substantially limit the power we are giving to somebody to determine the welfare and the financial existence of many industries and the happiness of many people who depend upon prices and on wages.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. VANDENBERG. In the course of his very able presentation of this matter yesterday my distinguished colleague said the following:

The powers granted by this bill are in an economic sense probably the most tremendous that have ever been granted. This bill goes beyond any legislation that was enacted during the period of the World War.

I was unable yesterday to obtain the floor to interrogate my colleague with respect to that assertion. I am wondering if the able Senator from Ohio, who is also a member of the committee, and who has closely followed the discussion, can tell me to what extent the powers granted in the bill exceed the price-control powers utilized in the World War, and why the necessity exists for the further extension.

Mr. TAFT. In the World War—and I may say I served as counsel in the Food Administration that drafted a good many of the price-fixing regulations which were made—the Lever Act was confined

to food and fuel, to begin with. There was that very substantial limitation. As a matter of fact, the price fixing in the World War was confined to food, which was administered by Mr. Hoover; to fuel, which was administered by Dr. Garfield; and to the commodities needed for the actual production of war materials, which were controlled by Mr. Baruch and his War Industries Board, although he had a price-fixing committee under him. There was, I think, no real legal authority for his actions. They were taken largely by consent and by a certain amount of coercion. So that the subject covered was much narrower.

In addition to that, the Lever Act was a very vague act. At that time Mr. Hoover testified that he was told that they did not feel they could give a man power under the Constitution to fix prices. My recollection is that the only criminal provision was that anyone who charged an unreasonable price should be subject to prosecution, which was subsequently held to be so vague as to be unconstitutional.

The license system was put in that act at Mr. Hoover's suggestion because he did not have power to punish by criminal processes. Through the licensing power he in effect carried out as to food about all the powers that Mr. Henderson would have as to food.

There will be no great increase in practical results, although the legal authority here is spelled out in a much more clear and satisfactory manner than it was in the World War. But I think the difference in result will come about chiefly because of the fact that this measure now extends its provisions to every commodity in the United States of every kind, regardless of whether it has anything to do with defense or not; that its purpose is to control the general price level, whereas during the World War they were simply concerned with holding down the prices of particular things that were needed either for the conduct of the war or to ship to the Allies to support their civilian populations.

Mr. VANDENBERG. Did the experience in the World War indicate that that narrower use of authority was inadequate?

Mr. TAFT. I think, on the whole, it did. If we face no more expenditure today than in the World War, I do not know that it would be necessary to go so much further. In the World War, for instance, by the time the control was put into effect food prices had risen from 100 to 180 percent. During the 18 months of that war food prices went from 180 to 200 percent. Clothing was not controlled, and went during that period from 180 to 250 percent.

Broadly speaking, I think the selective system is a better system. I hope Mr. Henderson will not undertake to deal with every detail, and I do not think he will. He testified he will not. But it is very hard for us to select a particular thing that he shall deal with and those things he shall not deal with. We do not know where the shortages will be. When it comes let us say, to 5- and 10-cent stores, to ladies' hats, to many other things the prices of which are very diffi-

cult practically to fix, anyway, I think it is better to let those prices go up. Let the division of an inadequate supply be determined by the cost, if the commodities are not essential. But if they are essential, then I believe that if we have a completely inadequate supply we shall finally have to come to a rationing system and hold the prices down.

I think there is more need today for control than there was during the World War, and I believe that the distortion of prices resulting from the World War, which averaged from 100 to 220 percent, had a great deal to do with the tremendous maladjustment that occurred afterward, and finally with the depression in 1929. If prices had been held down at that time by a wider selection of commodities and if control of prices had begun earlier and if prices had only risen from 100 to 150 percent, there would have been a much less severe aftermath than there actually was.

Mr. VANDENBERG. I thank the Senator. I should like to ask him one further question. My colleague [Mr. Brown] subsequently spoke of price control as the sum total of the bill's objective. Is there anything in the bill granting authority to the Price Administrator which would permit him to reach down into the management, and methods of organization, and accounting, and distribution, and sales, and so forth, in respect to the commodities whose prices he is controlling on the theory that he is dissatisfied with the methods which produce the pretention of a necessary price increase?

Mr. TAFT. There is nothing in the bill authorizing the Administrator to take those matters into consideration, and if there were any review of his actions I doubt if he could. On the other hand, there is no real review, and if he does not admit that he is taking those things into consideration I would not be prepared to deny that he might get away with it.

The House put in a provision expressly stating that the Administrator should not fix any price on the basis of a change in existing practices in an industry. That provision had special reference to advertising. The Senate committee felt that that provision was primarily to protect advertising and prevent the Administrator from saying, "You shall stop advertising now. You do not need any more advertising. I am going to fix your price on the basis of your eliminating that cost." The Senate committee first amended the provision to apply only to advertising. That seemed to me to be worse than useless, because it implied that the Administrator might go into every other business practice which he thought ought to be changed. Mr. Henderson has many ideas about how business practices ought to be changed. I objected very strongly to the whole section as amended. The committee finally took the whole section out, on the theory that it did not think the bill gave him the power to interfere with any such practices. As it passed the House, the provision was as follows:

(g) The powers granted in this section shall not be used or made to operate to compel changes in the business practices or cost prac-

tices or methods, means, or aids to distribution established in any industry, except to prevent circumvention or evasion of any ceiling established under this act.

This was the provision which the Senate eliminated, and to which I personally have no objection. That was the House provision which was taken out by the Senate committee. I have no objection to restoring it. I do not think there is any legal right on the part of the Administrator to interfere with business practices. On the other hand, it is perfectly true that it would be very hard to prevent his doing so particularly if he should be a single administrator and there should be only a court appeal against his unjustifiable action.

Mr. VANDENBERG. The language from the House bill which the able Senator has just read is precisely the language which I have sought to restore by the amendment I have offered today, which is on the table.

It seems to me the Senator has put his finger on the reason why some such reassurance, at least, is desirable. Mr. Henderson is known to have numerous revolutionary ideas regarding the way in which American business ought to operate. I am not saying that by way of criticism of Mr. Henderson as a possible price administrator, because I think he has indicated a very substantial capacity to do a rational and effective job. But, in view of his general fundamental attitude, and in view of the fact that this invasion of the right of management to operate its own business may find some color of right, I am very happy to have the Senator say that he has no objection to the restoration of the House language. I am very hopeful that my distinguished colleague [Mr. Brown], who is in charge of the bill, will feel the same way about it. If it is not necessary as a matter of reality, then there is no harm in putting it in. It may be necessary, and I am very sure it is necessary, by way of reassurance to the great American business public, which is to be asked to submit itself to this regimentation voluntarily and cooperatively. Inasmuch as it apparently is willing to do so, I think it is entitled to that small crumb of consolation.

Mr. BREWSTER rose.

Mr. TAFT. If the Senator will allow me to say a word in reply to the Senator from Michigan, I shall be glad to yield to him.

My own feeling has been that while I am perfectly willing to try to limit the Administrator, I rather feel that any attempt to limit the powers given would be more or less vain. Even if we should include such a provision as has been suggested, it would be very difficult to prevent the Administrator from saying to an industry, "I am going to fix your price at such and such a figure. I think it is a reasonable price." While he might not admit that he was talking about advertising, nevertheless he might have it in mind. I have therefore felt that in trying to give protection to businessmen and others it is rather more important to determine the character of the agency which is to fix prices, and to give the power to a broader group—to five persons instead of one—than to try to give the

power to one and then try to limit him here, there, and somewhere else. I think this particular limitation is perfectly proper, and it might be effective.

I now yield to the Senator from Maine.

Mr. BREWSTER. Mr. President, I somewhat deplore the implications of legislating with reference to an individual. I think there is some constitutional provision in that respect. I am wondering whether Mr. Henderson expressed any views on this particular point, with reference to advertising and other practices.

Mr. TAFT. Mr. Henderson was perfectly willing to eliminate his right to interfere with business practices so far as they relate to advertising. He proposed an amendment limiting the House provision to advertising alone. I objected very strongly because that immediately carried the implication that he could interfere in other fields.

I have no criticism of Mr. Henderson, and I have made none. The objection which I have stated would apply to any man. Any man who might be the administrator under the act would necessarily have to be arbitrary. He would be very busy. If he should determine the price of cotton, we will say, he would not be able to go back 2 months later and reopen the question. He would be fixing too many other prices. He would be too busy.

I do not think Mr. Henderson would have any more inclination to interfere with business practices than would dozens of others who might be named to the same position. I have the highest respect for what he has done, and the general theory of price control he has expressed before the committee. There are a few differences of principle, which I shall explain later. The suggestion for a board is not at all aimed at Mr. Henderson. It would apply to any person who might be proposed as administrator.

Mr. BILBO. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BILBO. Mr. President, so far as prices are concerned, the bill would give to the Administrator as much power as Hitler has in Germany. The Senator's amendment would provide for a board of five. I am inclined to support his amendment. I should like to ask the Senator if he would be willing to provide that the board should be a regional board, with one representative from the South, one from the West, one from the Midwest, one from the North, and one representing the Nation at large.

Mr. TAFT. I should prefer to offer the amendment later and discuss it at that time. I shall be very glad to consider the Senator's suggestion. My purpose is to have different groups represented. I suggested to the President that he appoint one member from the Department of Agriculture, one from the Department of Labor, one from the Department of Commerce, and one from the Treasury Department, so that we might have at least a coordinated Government policy with respect to price control, instead of having three or four different departments of the Government

proceeding on different theories, and not consulting with one another, which has been more or less the policy up to this time. If the Senator does not mind, I should rather defer discussion of the amendment itself until a later time. I have not as yet offered the amendment.

Mr. BILBO. I appreciate the Senator's idea of economy in utilizing the services of men who are already on the job. However, this matter is very important. I find from my experience with Mr. Henderson that he suffers from a want of adequate information in making his rulings. For example, in the order to fix the price of lumber for the Pine Belt of the Nation, when he was called upon for an explanation and break-down of the prices he fixed it was found that he had fixed a base price for stumpage on pine timber at \$2.50 a thousand. At the same time timber was selling in the South at \$10 and \$12 a thousand. After he had been informed of his mistake he very graciously raised the price an average of \$4 a thousand.

I take it that if we had representative citizens from each of the four sections we could obtain a community of interest and information from the various sections of the country, which would result in more righteous decisions in issuing whatever orders the Price Administrator's office should see fit to issue.

Mr. TAFT. I shall be very glad to discuss with the Senator from Mississippi, before I offer it, the amendment which I propose, relating to the composition of the board.

Mr. LEE. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Oklahoma.

Mr. LEE. Does the Senator from Ohio favor the bill as it is now?

Mr. TAFT. I will vote for the bill as it is now if that is the final decision of the Senate; yes.

Mr. LEE. As I understand, the main purpose of the bill is to prevent runaway prices. Is that the Senator's conception of the bill's chief purpose?

Mr. TAFT. That is the principal purpose. It has another purpose, however, which rather developed in the latter part of the hearings, and that is to provide a means of increasing production.

Mr. LEE. That is correct—and also to protect us from the possible development of shortages of commodities.

Mr. TAFT. Yes. I mean, for instance, as I understand the bill, that under it the Administrator might announce, if he thought he had the money somewhere, that next year he would pay a certain price for all butter, let us say, delivered to the Government, in order to stimulate the production of butter for shipment to Europe. He could do that, I think, under this bill; and, if the price were advanced somewhat, the result might be a considerable increase in production. In other cases, the testimony shows that increases in prices do not increase production; but I think in the case of most agricultural commodities a Government-guaranteed increase of price would considerably increase production.

Mr. LEE. Does the Senator, then, feel that it is necessary to bring agricultural

products under the bill, since there is a surplus of most of them?

Mr. TAFT. At the present moment I do not suppose that any control would be exercised by the Administrator under the bill over cotton, wheat, corn, or a number of the other products that are well below parity and that are present in great quantity. I think he would make a great mistake if he tried to control them, but certainly he would want to begin to fix the margin of wholesalers and the margin of retailers in order to determine that the price was carried on down to the consumer. I think he would do that.

One objection I have to the amendment offered by the Senator from Alabama [Mr. BANKHEAD] is that it relates to agricultural commodities and substantially everything made from agricultural commodities, giving the Secretary of Agriculture power over the price of shoes, clothing, and practically everything the consumer buys.

Mr. LEE. The bill specifically exempts labor. Why is that?

Mr. TAFT. Mr. President, I am going to discuss the provisions relating to labor. I should prefer to discuss the various points consecutively. However, if the Senator prefers, I shall be glad to proceed now to discuss the provisions relating to labor; but it will take me some little time to do so.

Mr. LEE. No; I want the Senator to follow the plan he has laid out. But now I desire to ask another question.

The farmer who works his farm is paid his wages in terms of the commodities he sells. It takes a man-hour of labor to produce 1 pound of lint cotton. If cotton is selling at 17 cents a pound, all that is received by the farmer who produces the cotton is 17 cents a pound. He does not really receive that much net, because he must deduct from the 17 cents the cost of a number of things.

So what I have difficulty in understanding is why we should exempt the industrial worker and his wage pay but bring the agricultural worker under the law. Why not exempt both of them?

Mr. TAFT. As I say, I should prefer to discuss the question at length. Roughly speaking, however, I should say that there is no principle more completely established in these United States than the principle that labor is not a commodity, and that all the considerations involved in fixing wages are considerations different from those involved in fixing prices.

I agree that if there is not some policy to stabilize wages the bill probably will not be as successful as if there were such a policy. Nevertheless, prices can be fixed because wages do not have the tremendous swing that commodity prices have. In the last World War we did successfully fix prices without fixing wages. It can be done. It cannot be done permanently. If a permanent policy were desired, and if we were now to stabilize prices for all time to come, we could not do so without fixing wages, I quite agree, but we could not do so by assigning to a Price Administrator the duty of fixing wages.

Let the Senator think about this point for a moment: If tomorrow we should

give Mr. Henderson, the Price Administrator, power to fix wages, think of the complete confusion that would result from such a policy. The moment he fixed wages in Cincinnati, Cleveland, or some other place, we should confront the question whether there would be a strike. We should have to set up, aside from Mr. Henderson, the whole machinery for conciliation and mediation; and, finally, if he were to have any power to enforce his orders regarding wages, we should have to prohibit strikes.

I say that that problem is entirely distinct from the problem of commodity price control; that if the Members of the Senate desire to provide for the establishment of a policy of fixing wages, if we want to provide for the prohibition of strikes, the place to do so would be in labor legislation, in which the whole process would be carefully worked out, as suggested in some of the bills which are before the Senate.

In this bill we have done one thing: We have said that it shall be the policy of the Government departments dealing with wages to join in the stabilization of the cost of production, which necessarily means the stabilization of wages. We have gone that far. But certainly I do not want to give Mr. Henderson the power to fix wages, and, frankly, I am even doubtful whether we can prohibit strikes. I do not know whether it is wise to do so, but if we do prohibit strikes we shall go a great deal further than if we fix the price of any commodity.

Mr. LEE. Mr. President, if the Senator will yield further, let me say that yesterday I understood the Senator from Michigan [Mr. Brown] to make the argument that wages would be controlled and regulated through control and regulation of the cost of living, which is an appealing argument. Then why would not the same argument apply with respect to the rural worker or the farmer when he is producing a surplus? Would not the surplus of itself regulate his pay, just as the cost of living could be relied upon to regulate the pay of the industrial worker?

For example, wheat, corn, and many other of the farm commodities are today below parity. Why? Because there is a surplus. There is still much land which can be planted in wheat if the surplus begins to disappear, and that process in itself would automatically regulate the price of farm commodities.

Then I raise the question again, Why is it necessary to bring the farmer under the provisions of this bill?

Mr. TAFT. Frankly, I do not think it is necessary—at the present moment, at least—to regulate the price of wheat, corn, cotton, or other commodities of which there is a surplus. But today there are a great many commodities of which there is not a surplus; and the testimony toward the end of the hearings before the committee was very distinctly that the British had come to us and said, in effect, "We are no longer going to be able to get a great many foods from Australia or from other sections of the world." Particularly in the field of fats and proteins and lard I think there will develop the same kind of deficiency that we had dur-

ing the last World War. We are fortunate in respect to wheat, cotton, and corn; but, aside from those three commodities, I question very much whether the surplus will last. If the Senator wanted to omit from the provisions of the bill those three commodities, I would not object; but I think the products of those commodities should be regulated.

Mr. LEE. So far as I know, at the present time the only farm commodities that are even close to a shortage—and even as to them there is not exactly a shortage—are perhaps the proteins, eggs and milk.

Mr. TAFT. Those are the things of which I was thinking—eggs, milk, and the various fats.

Mr. LEE. Does not the Senator think that assuring an attractive price for those commodities would be the best way to increase production? It takes longer to raise a milk cow than it takes to build a battleship.

Mr. TAFT. I have no objection to an attractive price; I am all in favor of an attractive price, but I say that if we do not provide some control it will not be very long before the prices will be two or three hundred percent of what they now are. Look what happened to wheat in the World War. Before we began control wheat went to \$3 a bushel at one time. It went down again, and was finally fixed around \$2.25 a bushel.

Mr. LEE. We had neither a surplus then nor the possibility of increasing production.

Mr. TAFT. I agree the wheat situation today is entirely different, but I still think we will find there is likely to be a shortage in a good many agricultural commodities, and they then link into so many other things. For instance, today there is a shortage of wool. The tremendous Government demand for clothing is undoubtedly taxing the wool supply that we can obtain.

Mr. LEE. Is not that the best argument we can make why we should not put a ceiling on the price, because the price itself will cure the shortage?

Mr. TAFT. No, I do not think that general statement is true. To a certain extent, a liberal price will increase production, but the testimony before the committee showed that after a certain point was passed there was practically no increase whatever in production in the case of most commodities. In some commodities there was. I have not much doubt, for instance, that an increase in the price of oil would tremendously increase "wildcatting" and the amount of oil produced. The same thing is true of lead and various mineral commodities, but, after a certain point is passed, I do not believe increasing the price another 50 percent would increase by 1 pound the production of the particular commodity.

What we propose is to give someone the power to determine what is the right price. I do not like to give that power any more than does the Senator from Oklahoma, but if I am willing to do so, I think he ought also to be willing.

Mr. LEE. That is a fair statement. I am willing to give Mr. Leon Henderson as much power as I would give anyone else, as I have every confidence in him.

I think the Price Administrator ought to be a "tough guy," for certainly he will have to act with courage. My inquiry is not to be taken as indicating that I am not in sympathy with the purposes of the bill. I see no reason, however, for going beyond the purposes and bringing a group under it that receives only about 8 percent of the income of the country.

Mr. TAFT. I do not see how, if we excepted agricultural commodities, the price control could be in any way effective. It would affect approximately two-thirds, I should think, of all the raw materials and commodities which interlace with everything else that is produced. I say we might except the basic commodities—wheat, cotton, and corn—for the present, but I do not see how we could possibly make any general exception of agricultural commodities without absolutely and completely destroying the bill and all commodity control.

Mr. LEE. I thank the Senator for indulging me.

Mr. LUCAS. Mr. President, will the Senator yield for a question?

Mr. TAFT. I yield to the Senator from Illinois.

Mr. LUCAS. Do I understand the bill correctly to mean that section 3, paragraph (a), simply gives the power to the Administrator for the present to place a floor upon agricultural basic commodities but no ceiling?

Mr. TAFT. No; that is not correct. Section 3 (a) does not give the Administrator any power. Section 2 gives him power to fix the maximum prices on anything—agricultural commodities or any other commodities. Section 3 (a) simply says that in fixing the maximum price he shall not be allowed to fix a maximum price below 110 percent of parity. I had rather not use the term "floor"; I think it is ambiguous. The Administrator cannot fix a maximum price for agricultural commodities below 110 percent of parity, but he may fix a higher price. He may fix it at 125 percent of parity or 150 percent of parity or 200 percent of parity. He may go as high as he wants.

Mr. LUCAS. The Senator and I are in absolute agreement; but I still maintain that there is a floor in fixing agricultural prices at the present time and that there is no ceiling. In other words, the Administrator can go just as high as he wants to go in fixing an amount above 110 percent of parity, but he cannot go less than that. When he finally reaches the decision that wheat has gone to such a point that it is necessary to fix a price for it, he cannot go less than 110 percent of parity if he fixes any price at all. That does not mean that he cannot go to 150 percent of parity, if he wants to. In other words, if the time comes when the wheat supply and the corn supply of this country demand prices go beyond 110 percent of parity, the Price Administrator has the power to fix the price, if I understand the bill correctly?

Mr. TAFT. That is correct; and, not only that, but I venture to say that if this war goes on for 5 years the price will be up to 150 percent of parity, and we will be lucky if it is not 200 percent of parity.

Mr. LUCAS. I have no doubt about that at all. In other words, the farmer

is not going to suffer as a result of the enactment of this bill. It is absolutely necessary, in view of what happened in the last war, to have some price control upon the basic commodities of agriculture; not from the standpoint of the moment, but I am thinking of what happened in Illinois and the Nation after the last war, when farmers got \$3 a bushel for their wheat and a high price for their corn, and land prices increased accordingly. The farmer made a lot of money as a result of the increased prices during the war, and the man who had 160 acres free from debt and who thought the millennium had arrived bought another 160 acres, mortgaged the 160 acres he owned, and, when the crash came, the optimistic farmer lost it all. If we do not have some control, the same kind of inflationary period will follow the present war as followed the last war, and we will have the same bankrupt conditions which we then had.

Mr. TAFT. I agree with everything the Senator from Illinois has said. My only question is about the word "floor." I do not like to use the term "floor," because it gives the impression that somebody is fixing a minimum price; and nobody can do that. The term "floor" has a double meaning. That is the only reason I question its use.

Mr. BROWN. Mr. President—

The PRESIDING OFFICER (Mr. WALLGREN in the chair). Does the Senator from Ohio yield to the Senator from Washington?

Mr. TAFT. I yield.

Mr. BROWN. I do not desire to divert the Senator, but I think it might be desirable to recur to the point raised by my colleague in connection with the House bill on page 7, subsection (g), relating to the power which some people think the Administrator might have to inquire into and affect business practices.

The provisions contained on page 49 of the bill, which define the term "price" and define the term "commodity," if carefully read, I think preclude the exercise of any power on the part of the Administrator to regulate business practices.

The thought that some businessmen have is very well illustrated by the matter of advertising to which the Senator from Ohio and my colleague alluded. It was thought that the Administrator might say, "Now, in this business you are spending too much money on advertising; you do not need to spend that amount of money, and we are not going to allow you to do it." The same thing would be true with regard to any other business practice which he might consider uneconomic.

I may say to my colleague and to the Senator from Ohio that I agree with the action taken by the committee in striking out the section when it was changed; but there is no objection on the part of the committee, I am satisfied, to the language in subsection (g) on page 7 which was in the original House provision. However, I wanted it clearly understood that it was not intended by that provision to authorize the Administrator, in fixing commodity prices, to consider busi-

ness practices which he considers to be uneconomical. Therefore, while I do not now want to divert the Senator by taking up the amendment, I may say to my colleague that I think we can arrange to have it placed back in the bill later in the discussion.

Mr. VANDENBERG. Mr. President, if the Senator from Ohio will yield—

Mr. TAFT. I yield.

Mr. VANDENBERG. I want to thank my able colleague for his statement. Coupled with the statement of the distinguished Senator from Ohio [Mr. TAFT] that he has no objection to the restoration of the House language, I assume that we may contemplate the acceptance of the House language, subsection (g) on page 7, without division. I simply want to observe that I think that will make at least a substantial contribution to a quieting psychology so far as American business is concerned.

Mr. McNARY. Mr. President, may I make an inquiry?

Mr. TAFT. I yield to the Senator from Oregon.

Mr. McNARY. What is the subject the Senator is discussing about adopting the House language?

Mr. TAFT. The restoration of the House amendment which appears on page 7, which was eliminated by the Senate committee, regarding control over business practices.

Mr. VANDENBERG. Simply an effort to make sure that the authority granted in the bill does not permit the price controller to reach down into the business practice of an institution and undertake to revamp it.

Mr. NORRIS. Mr. President—

Mr. TAFT. I yield to the Senator from Nebraska.

Mr. NORRIS. Before the Senator leaves that question, I should like to ask him a question. I suppose the matter to which I am about to refer will come up later; but, for fear it will not, I cannot agree absolutely with the proposition that a firm's business practices should not be taken into consideration. I know it is a dangerous thing to do. It ought not to be done if their practices are within reasonable limits. I can easily conceive that they might have some practice in advertising, for instance, which might go so far beyond reason as to make it absolutely certain that that particular practice very greatly affected the price. Their expenditures, following out some wild practice of that kind, could not help very materially affecting the price; and to say that that practice should be given no consideration by the price fixer, it seems to me, is a proposition which ought to have some exceptions to it.

Mr. VANDENBERG. Mr. President, may I comment to the Senator?

Mr. TAFT. Surely.

Mr. VANDENBERG. I call the Senator's attention to the particular language of the House text. The exemption of which I speak does not apply if the Administrator finds that these practices are being used to circumvent or evade any ceiling established in the bill. In other words, there is an effort to draw a distinct line between a traditional,

standard, appropriate, habitual business practice, and one which might be invoked for the purpose of trying to evade this new control.

Mr. TAFT. Let me add, also, that I do not think the provision would prevent the Administrator from ruling out a practice adopted by a particular firm even if it had indulged in it before. It says:

Practices * * * established in any industry.

I should think the provision probably applied only to an industry-wide practice which the Administrator could not change. As a practical matter, however, I do not see how we can prevent his taking it into consideration.

Mr. NORRIS. I do not think we can. He could take it into consideration and say nothing about it; and if he had authority for reaching the conclusion that he reached, even though he had been moved in taking that step entirely by something that he is prohibited from considering, still it would not appear on the face of the ruling that he had considered it at all; and if he had any right to take the action he took, it would have to be supported, even in court if there were an appeal from it.

Mr. TAFT. Mr. President, I want to say a word about the general theories of price fixing. I have not felt that in this bill we could very well tell Mr. Henderson what theory of price fixing he should adopt. There are various different theories, and various different economists testified before us about the selective theory, the over-all theory, and various other methods of procedure. I do not see how we could lay down the law to Mr. Henderson, but I do want to suggest a few things that we have tried to suggest in the bill.

The first is that it be done by cooperation with the industries of the United States. Mr. Hoover testified that in the World War his control was nearly all exercised in that way. Mr. Baruch's control was exercised in that way. The power that they had was usually used only to bring in the recalcitrant member of an industry. They always conferred with persons who desired to be heard.

I think there has been a little failure on Mr. Henderson's part in the past with regard to that particular method of approach. I think in theory he admits the need of consultation; but, naturally, any man who is an administrator is so busy that he does not always go out of the way to seek out and talk to people about what ought to be done before he does it. We have written in this bill, particularly in the statement of purposes, in the first place, on page 22, the provision that one of the purposes is—

To permit voluntary cooperation between the Government and producers, processors, and others to accomplish the aforesaid purposes.

Again, in section 5 we have made it clear that—

In carrying out the provisions of this act, the Administrator is authorized to confer with producers, processors, manufacturers, retailers, wholesalers, and other groups having

to do with commodities, and with representatives and associations thereof, to cooperate with any agency or person, and to enter into voluntary arrangements or agreements with any such persons, groups, or associations relating to the fixing of maximum prices, the issuance of other regulations or orders, or otherwise.

Mr. NORRIS. Mr. President—

Mr. TAFT. I yield to the Senator from Nebraska.

Mr. NORRIS. I desire to ask a question of the Senator. The language he has just read, enumerating the various persons and businesses that the Administrator is given authority to consult, does not include consumers. Why? We have included practically everybody else. Why should he not consult consumers?

Mr. TAFT. I have no objection to putting in consumers, except that consumers' organizations are hard to find, and there are millions of individual consumers.

Mr. NORRIS. I know there are.

Mr. TAFT. I think the reason why consumers were left out was that Mr. Henderson made it so obvious that he regarded himself primarily as the representative of the consumers—almost too much so, I think. Nevertheless, he does, and I have not any question that the Price Administrator will protect the consumer. I hope he will. After all, the main purpose is to protect the consumer.

Mr. NORRIS. I think so.

Mr. TAFT. I think consumers ought to be added. I feel very strongly that there ought to be consultation; and one of the amendments I shall offer is to provide a hearing before prices are fixed so that it will leave to all groups an opportunity to be heard on the entire question.

Furthermore, we have inserted another amendment to suggest, at least, more cooperation between the various departments of the Government. We had before us on Friday Mr. Wickard, the Secretary of Agriculture. He came down to ask, I think—I do not think he got quite that far, but I certainly had the impression that he came to ask—that all power to fix prices be transferred to the Secretary of Agriculture insofar as they related to agricultural commodities; and one of his reasons was that he was not sufficiently consulted by Mr. Henderson before he fixed prices. Therefore I feel very strongly that we should have a board on which agriculture may be heard, as well as other interests, before action is taken; and that is one of the purposes of the amendment I shall offer.

We are to be asked to vote on an amendment of the Senator from Alabama [Mr. BANKHEAD] providing that the Secretary of Agriculture shall have a veto over the fixing of agricultural prices. There is on page 33 of the bill a provision which authorizes the President to do just that if it is determined that it should finally be done.

The President is authorized to transfer any of the powers and functions conferred by this act upon the Office of Price Administration with respect to a particular commodity or commodities to any other department or agency of the Government having other functions with relation to such commodity or commodities, and to transfer to the Office of

Price Administration any of the powers and functions conferred by law upon any other department or agency of the Government with respect to any particular commodity or commodities other than agricultural commodities—

We exclude agricultural commodities by that provision, because the power of the Secretary of Agriculture over commodities is so complex and so detailed that it seemed unwise to permit the transfer of those powers to the Price Administrator—

including the power to order priorities, purchase, sell, store, handle, or otherwise deal with any such commodity or commodities

There was a good deal of testimony about this feature, and Mr. Hoover particularly testified that in his opinion the set-up should be a vertical set-up. Perhaps he was influenced by the fact that there was that kind of a set-up during the World War. He fixed food prices, and did everything in the way of food control. He not only fixed prices, he bought and sold food, he fixed priorities on food, rationed if there was any rationing. Garfield did the same as to coal, Baruch did the same as to metal.

There was much testimony to the effect that rather than divide the powers by giving one man power to fix prices across the board, giving the next man power to fix priorities across the board, and some other man the power to buy and sell across the board, it would be better to divide by commodity groups. I think perhaps it would be, if we had an over-all board which determined the general policy of fixing prices, but that seems very difficult to obtain. I was prepared to say that it would be all right to go ahead with the set-up in this bill, dividing the powers in this way, but I felt that we should at least give the President the power to divide the powers up the other way if it developed, as we went on, that it would be wise to do that.

I should be opposed to the Bankhead amendment, because it is entirely too sweeping. It would make action on practically two-thirds of all commodities subject to the veto of the Secretary of Agriculture. But it does seem to me that the President may well desire to select a particular commodity, he may well want to select wheat, and cotton, and corn, the basic commodities referred to by the Senator from Oklahoma awhile ago, and put those in under the Secretary of Agriculture, who is also exercising all the other powers relating to those commodities. I see no particular advantage in Mr. Henderson fixing the prices of those commodities. He will not be able to for months, anyway, because the price is below the figure at which his power comes into effect.

Mr. McNARY. Mr. President—

The PRESIDING OFFICER (Mr. C. FARLAND in the chair). Does the Senator from Ohio yield to the Senator from Oregon?

Mr. TAFT. I yield.

Mr. McNARY. A rather faint objection to the Bankhead amendment has been voiced by the able Senator from Ohio. I wonder if he would look upon it with more kindness if the words

"processed or manufactured" were eliminated from the amendment.

Mr. TAFT. I have not the amendment before me, but if such an amendment were confined to the five basic commodities, personally I should have no objection; but I cannot speak for the committee, or for any other member of the committee.

Mr. McNARY. I am not asking the Senator to speak for anyone but himself, and he is speaking for one in whom we have confidence when he does that. But in great seriousness, I have objection to this amendment, because it is too broad, including commodities "manufactured and processed." That would go too far in giving authority to the Secretary of Agriculture, who has not the equipment or the personnel to handle that sort of work. But if he is to be consulted, or to have a veto power over the fixing of prices of agricultural commodities in the raw state, I cannot see that that in any way would impinge upon the authority given to Mr. Henderson in the administration of the proposed law.

Mr. TAFT. I agree in principle, he certainly should be consulted and have something to say about it. I tried to provide that in a little different way, but I do not think it should be nearly as broad as the Bankhead amendment would make it.

Mr. President, we also included the power to stimulate production, which has already been referred to, and power to buy and sell. Originally, in the substitute which I introduced, I eliminated the power to buy and sell, but the testimony before us was pretty clear that, after all, this business of control has to be a basic control, and the control of commodities must be determined largely at the central market, and buying and in many cases selling can have a much greater effect than simply imposing arbitrary ceilings.

I have a little doubt about the provision in the buying and selling part of the bill giving the Administrator power to operate with a revolving fund. I am not at all sure it should not be confined to existing corporations, such as the Reconstruction Finance Corporation, and the Commodity Credit Corporation, as the bill does confine critical and strategic materials.

Mr. McNARY. The Senator is discussing very interestingly an important provision of the bill. Does he recognize any conflict between the authority vested in the Administrator under the bill to buy agricultural products and to sell them, and the Agricultural Adjustment Act, which gives the Secretary of Agriculture the right to expand or curtail production, and control prices more or less through quotas, and restrictions in the marketing of products?

Mr. TAFT. I certainly recognize the connection, and whatever else we do, we should see that there is one policy guiding the Government of the United States, and that one department is not doing one thing and another department hampering the entire result by doing the opposite.

Mr. McNARY. The Senator's own observation condemns the language in the

bill. If I understand the bill at all, it plainly gives authority to the Administrator to buy and sell products for the purpose of bringing about an equilibrium between supply and demand, whereas now, under the Agricultural Adjustment Act, that is one of the functions of the Secretary of Agriculture, through those provisions which permit him to prescribe quotas and acreage, and control production through marketing systems, and also to sell in the open market, and sell abroad and pay subsidies, and to permit the Commodity Credit Corporation to extend loans up to 85 percent of parity. If there is any consistency between those two things, I should like to have the very able Senator point it out, and if he cannot, I think it is a hopeless proposition.

Mr. TAFT. I do not think it can be denied that the bill provides for two doing the same thing, in the buying and selling feature, and obviously it gives both the Secretary of Agriculture and the Price Administrator a great many powers which are going to affect the prices of agricultural commodities. My plan for coordinating them was to have a board, with the Assistant Secretary of Agriculture sitting on it; but any other method is also desirable, I should think.

I wish to discuss for just a moment the ceiling theory. We hear much about the necessity of fixing a ceiling, a ceiling on all prices, and a ceiling on all wages. In general, a ceiling means the fixing of retail prices on all kinds of things, trying to freeze retail prices.

If there is one thing which every nation which has had experience has learned, it is that it is impossible to fix prices by beginning at the retail price and fixing a ceiling, saying to every retailer, "You shall not sell this commodity at a price above what you sold it at last month." That results in endless bootlegging. It is easy to evade price regulation, and the regulation must be made as reasonable as possible. Price control must start either at the producer or the central market, and it must prescribe maximums for wholesalers and retailers which are reasonable. If it is worked into the existing practices, the amount of evasion is not one-tenth of 1 percent. So the pending bill rejects the ceiling theory. We permit the administrator to fix maximum prices, and we try to give him control over the commodities with which he has to deal which will have an effect on prices, or will make it possible to actually enforce the regulations he makes.

We saw during prohibition how easy it was to evade a law which was not made to suit the general theories and the general beliefs of the community. It seems to me that the ceiling theory should be, as it is in this bill, completely rejected. The selective theory of picking out commodities one at a time is a much better theory, a much sounder theory, and one which can make maximum price control very much more effective.

I think, also, it is much better to let all the incidentals and all the luxuries go up in price, let watches and jewelry and anything else considered to be non-essential go up in price, and let them be rationed, if at all, by the ability of people to buy them. We are not so much inter-

ested in anyone obtaining luxuries. If the prices of watches go up, and the workmen cannot buy them, they can at least buy defense bonds and keep the money to be used later on for some better purpose than buying jewelry. I believe the selective theory is the sound theory.

Finally, I am very certain that we could not put a ceiling over wages. Wages are entirely a different consideration. Wages, as I said, go up very much more slowly than commodity prices. The attempt to fix wages by law has never been undertaken in the United States. It has been undertaken in few countries except the totalitarian countries.

Mr. GEORGE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Georgia?

Mr. TAFT. I yield.

Mr. GEORGE. Is not Canada in effect controlling wages?

Mr. TAFT. Canada has just begun a wage-control system, and it may be successful. Nevertheless, I think the industrial section of Canada is of very limited extent. I think it is much more practical to control wages there than it is in a vast country such as the United States. If any serious dispute should arise, I question whether the Government would be able to enforce control of wages.

What would the Senator say if we fixed wages and provided that it should be unlawful to strike, and 10,000 men in a plant struck? What would we do about it to begin with? We could call in the troops, and make the men go back and go to work.

Mr. GEORGE. The Senator is raising that question to frighten us.

Mr. TAFT. No.

Mr. GEORGE. I merely rose to ask a question in response to the argument that no country had ever undertaken to regulate wages, except totalitarian countries, and I wanted to find out if Canada had not undertaken to do it and find out, if I could, what particular method Canada had employed.

Mr. TAFT. I can give the Senator an account of the Canadian system. In fact, I think it would be well to put it in the Record, because I have a rather complete and satisfactory review of it.

Mr. GEORGE. The Senator has labored very diligently in the committee and has helped bring before the Senate a bill which fixes the prices of commodities without any reference to fluctuations in wages. It may be a very difficult thing to fix wages, to control or regulate them at all, but it ought not to be difficult to fix prices in harmony with wage fluctuations. My concept of a price-fixing bill—the real theory of a bill to prevent inflation—is not one that would give somebody dogmatic power to fix ceilings on prices but that would provide the machinery by which reasonable price relationships and adjustments could be kept throughout the whole economy. So I cannot understand why or how the Senator can present a bill to the Senate and to the American people and say, "We are going to fix all prices on all commodities, but we shall shy away entirely

from tying those prices into wage rates or scales."

I am not asking that strikes be outlawed. If I know anything about inflation and this particular approach to its solution, it is more of an effort, as it seems to me, to provide equitable price adjustments and to maintain proper price relationships. Otherwise, we are not going to stop inflation by merely cracking down on the price of some commodity here now and there tomorrow, or this week on one commodity and on another commodity some other week. By that we will be doing little good; we may be encouraging inflation, because many other factors exist that are perfectly free to operate, to function.

I was asking in all good faith, because I had been informed—I am not a member of the committee—I had been informed that Canada had fixed this relationship between commodity prices and wage rates, and that it was working very well. I am sure the members of the committee must have had the advantage of that study when they were preparing the bill.

Mr. TAFT. Mr. President, I deny that the bill will be ineffective without control of wages. In the first place, probably before very long it will cover two-thirds of the commodities. Wages are only one element in cost, and, of course, prices will have to be adjusted to wages. There is no question about that. If wages go up prices will go up.

As I have previously said, I think there is no question that the permanent system of price control, if it is to be effective, really to stabilize prices, would have also to fix wages. I do not think we can get such a system or are attempting to get such a system. I say that, in my opinion, we face in any event an increase of 10 percent a year, and probably more, even with this price control, and probably even if we had wage control. Wages do not fluctuate in a violent manner, the way commodities fluctuate. They move very slowly, and they can be taken into consideration.

I am the author of the provision in the bill which provides that Government departments, so far as we are willing to give them power, shall attempt to stabilize wage rates; that when the Mediation Board attempts to fix wages, they shall try to fix them at a level corresponding to the level of prices fixed; and that, it seems to me, is as far as we can go in this bill.

I quite agree that we could not have one department trying to hold prices down and two or three other departments of the Government trying to raise wages. Of course, as an administrative question, if they do that, it would kill price control. But I do not think it follows that it is necessary to give anybody the legal power to fix wages in order to make price control effective. I say that the consideration in fixing wages is something entirely different from the consideration in fixing the prices of commodities, for human labor is not a commodity.

When I referred to the strike question, it was not in the sense of any threat. It was merely a recognition of the fact that when we deal with wages we deal with

something entirely distinct and different from the question of dealing with prices. The whole procedure has to be different. We have to set up mediation and conciliation boards. The labor problem has to be dealt with on its own footing, and not by giving some price administrator the power to fix wages.

The Senator from Georgia has referred to Canada. I hold in my hand a memorandum prepared on the general subject of Canada's economic war policies, which is a very well-written and excellent article. I ask that this article be incorporated at the end of my remarks today.

The PRESIDING OFFICER. Without objection, it is so ordered.
(See exhibit A.)

Mr. TAFT. As to wages, the article sets out that the Government undertook first to fix wages in defense industries, and in December 1940 it took the form of an order in council for the guidance of boards of conciliation, to whom all labor disputes in war industries had to be referred. It fixed basic wage rates at the relatively high level then prevailing, though upward adjustment could be made where a conciliation board found them to be abnormally low, and provided that any subsequent increase in rates should take the form of a standard cost-of-living bonus. The bonus was at the flat rate of 25 cents a week for each increase of 1 percent in the official cost-of-living index. The Government pays that bonus. The Canadians have adopted the policy of increasing wages in accordance with the cost of living, and, instead of the increase being charged to the manufacturers, the Government pays it.

This arrangement appears to have been reasonably satisfactory to employees and employers in war industries. As labor became more scarce, however, wage increases in excess of what was provided for under the Government plan began to occur frequently.

In other words, it was not a compulsory plan, and increases occurred in spite of it. The Government decided to extend its wage policy for war industries to all industry, to make it mandatory, and to provide machinery for its enforcement, because it was felt that the lack of control in some industries contributed to the increase in war industries.

A National War Labor Board, consisting of five representatives of employees, five representatives of employers, and an independent chairman, has been appointed to advise the Government on labor matters, and to consider applications for the adjustment of abnormally low basic wage rates. Without its permission no basic rate can be increased; but on the other hand, employers are now bound to pay the standard bonus in respect of any increase in the cost-of-living index after October 1941, unless they can prove to the board that they are financially unable to do so. Subsequently, a ceiling has been placed over executive and managerial salaries.

I think that substantially states Canada's experience. It is a limited experience, in a very small country. Sweden has been able to do a great many things with various social plans which I think

would be impracticable here. I question whether Canada's experience is conclusive. I do not think it has gone far enough or met a real crisis in a way which would enable us to say that it is definitely something to be adopted. If it is to be adopted, I believe it should be adopted in labor legislation, and not in a bill to fix prices.

I think the control ought to be vested in someone besides a wage administrator. If we were to freeze wages, for instance, I think Mr. Henderson would be subjected tomorrow to literally thousands of applications for increases from every union in the country. He could not handle them. Within 30 days every union would be dissatisfied because he did not handle the applications. If we should attempt to do anything of that kind, the result would be a vast flood of strikes. I do not understand that the Senator wants to do anything like that.

Mr. GEORGE. Mr. President, I am not in disagreement with anything the Senator has said. I rose to ask for information. I am in serious disagreement with any theory of price fixing which does not contemplate that the only way to reach inflation is to bring in adjustment all prices, and that necessarily means all factors which enter into prices. I should not want to see the Price Administrator, whether he be one man or a board, have charge of all labor, by any means. I shall vote for the Senator's amendment to create a board.

Mr. TAFT. I am delighted to hear the Senator make that statement.

Mr. GEORGE. I shall vote for that amendment without the slightest hesitation. However, I think there ought to be some recognition of the fact that the prices of all commodities must bear some relation to the prevailing wages, cost of living, or something else which really gives a standard by which we can adjust prices rather than fix them. I think the Senator appreciates the danger of price fixing by anybody—by a board or by one individual.

As a matter of fact, prices will be fixed very largely by a number of men in the Office, some of whom have had some experience and many of whom have had none. They have many theories. It seems to me that cracking down on one price because it seems to be high and cracking down on another price because it seems to those in the Office of the Price Administrator that the price is becoming too high, without any regard to an adjustment of prices, or a scheme or mechanism by which prices can be held in just relationship one to the other, will not get very far. I do not believe we should put in this bill anything with regard to labor, further than what the Senator has pointed out is already in the bill. We might express a policy; but, after all, I realize that anyone in charge of administering the act should be freed from the impossible task of combining price fixing with the regulation of all wages and the settlement of all disputes which might arise between management and labor. I fully agree that we should not go that far in this legislation.

Mr. TAFT. Mr. President, I appreciate what the Senator has said, and I

agree with all he has said. However, I think the policy he has expressed is largely one of administration. That has been my difficulty all along. I am afraid that we must leave to an administrator the question of properly coordinating the whole thing. But there must be coordination between the various Government departments. After all, this is one great policy, which includes the selling of bonds to defense workers, the reduction of the deficit, the control of bank reserves, and the whole question of how far we want to control inflation. It is not at all certain that in wartime we do not want to permit prices to go up 10 percent or 20 percent a year. It may be better policy to do so. I do not know. My only interest is to see that they do not go up 100 percent a year, because that would throw everything out of proper relationship.

I feel that by all means the President should establish an over-all inflation-control board, which would decide on the general policy which should be pursued by the Government. This bill necessarily deals with only one phase of it, and is necessarily, therefore, limited. We can think of many other things which ought to be done.

With the few exceptions to which I have referred, it seems to me that we have worked out a price-control bill which would effectively enable the Government to carry out a price-control policy to protect us against the tremendous danger which I see in the present fiscal situation, a danger which threatens to wipe out and destroy everything that everybody has saved, and all the great institutions which we have built up for the benefit and education of the people.

EXHIBIT A

CANADA'S ECONOMIC WAR POLICIES

Canada started the war virtually from scratch. Defense expenditures were negligible during the twenties and early thirties, and though they were stepped up considerably after the rise of Hitler they were still barely 1 percent of national income when war broke out. Canada had only 11,000 men in her armed forces and had virtually no war industry.

Two years later her active Army, Navy, and air force had increased to 340,000 men and more than 110,000 had gone overseas. A large-scale air-training plan had gone into operation well ahead of schedule and further expansion was under way. Most important, new industries had been built for the mass production of such things as planes, tanks, guns, high explosives, and ships. Capital expenditures for this purpose had passed \$500,000,000, a figure which exceeded the total pre-war capital investment in plant and equipment for the whole Canadian iron and steel and machinery industry.

When this industrial revolution began there was a great deal of slack in the economy. Labor and materials were available in abundance and the main problem was that of organizing production. There is no room for elaboration here, but one simple figure may give some indication of how successfully it was met. In 2 years industrial production increased by about 75 percent. Over the same period national income rose from a rate of \$4,200,000,000 a year to a rate of about \$6,000,000,000 a year, and at the latter level about 40 percent was being devoted to war purposes.

By the fall of 1941 the problem of setting up production had largely been solved. However, most of the slack in the economy had

been taken up, and the main problem now was to supply newly built war industries with enough labor and materials to keep them running at full capacity. To the extent that idle resources could no longer be drawn on, it was necessary to divert resources from civilian production. Moreover, it was necessary to do this without bidding prices up out of sight. The problem of supply had now become paramount, and the rest of this paper will outline the main steps which have been taken to deal with it.

Canada had no problem of labor supply when the war began. Reliable figures of unemployment are not available, but the total was probably close to three-quarters of a million, and many more were on short time. There was also an unknown but probably large amount of underemployed labor on farms. In addition, there were retired people, married women, and persons of leisure who could be readily drawn into war work, and there were boys and girls who could start to work sooner than in normal times.

Regarding the major part of this labor reserve, i. e., the unemployed, there was no cause for congratulation, particularly in view of the loss of skill, health, and morale which the relief system had often permitted. Nevertheless, this reserve did mean that men could join the armed forces or engage in war production in large numbers without having any serious net effect upon the supply of labor available for civilian industry. In point of fact, more than 300,000 men went into the Army, Navy, and air force over the first 2 years of war, and industrial employment increased by about 800,000, or approximately one-third, without the labor market as a whole becoming really tight until the fall of 1941.

This movement did, however, cause an acute shortage of farm labor, particularly in the dairy industry, where increased production is badly needed. Also, the bald figures take no account of the factor of skill. Skilled labor was already scarce by the fall of 1940, when an order was passed prohibiting enticement of labor from war industries. At the end of the year the Government's labor-training program, which had been largely an outgrowth of relief activities, was substantially expanded and geared to war needs. This, plus a large amount of upgrading in industry, has relieved the worst of the skilled-labor shortage so far.

However, the stage has now been reached where civilian industries are finding it hard to retain an adequate working force, and their difficulty will increase as enlistments continue and new war plants come into production. Women represent the only remaining large reserve of industrial and clerical labor which could be used to meet, in part, the general shortage which is rapidly developing. Unfortunately, no special steps to make the most of this reserve have yet been taken by employers in general, or by the Government.

In the case of materials as well as labor, Canada at first had no shortage. Plenty of shipping was available to bring imports from overseas. More important, the vast and diversified industrial capacity of the United States was not yet snowed under with defense orders and Canada was able, by buying there, to meet almost all the residual scarcities of materials or capital equipment which developed in her own economy.

There was, therefore, when war began no immediate prospect of having to divert labor or materials from civilian to war use. Nor, while idle resources were still available on a large scale, was there any pressing need to discourage civilian spending particularly in the case of the lower-income groups, who had borne the brunt of the depression. Accordingly the first war budget of September 12, 1939, was relatively mild. It provided for a surcharge of one-fifth on the personal and corporate income tax and for an excess-

profits tax, with commodity-tax increases mainly on liquor and tobacco.

In contrast with the general slack which existed in the economy, there was, however, one potential shortage which demanded immediate attention, viz, United States dollars. This was, in fact, the common denominator of all the potential scarcities which could be avoided by importing from the United States.

Even in normal times Canada usually had a small deficiency in her transactions with the United States, which was more than offset by a surplus vis-à-vis Great Britain and was covered by converting some of that surplus of sterling into United States dollars. However, when Canada entered World War No. 2 it was clear that her war production (for Allies as well as herself) would require an enormous rise in her imports from the United States—they have, in fact, more than doubled. These had to be paid for in American cash and there was no immediate prospect of a comparable increase in Canadian exports to the United States. Offsetting the prospective rise in Canada's deficiency with the United States there would, of course be an enormous increase in her exports to Britain. But surplus sterling could no longer be freely converted into United States dollars, because Britain did not have the volume of American assets or the freedom to borrow in the United States which she had had in the emergency of 1914-18. Canada, therefore, had to forget about her strongly favorable balance of payments with the rest of the world as a whole and concentrate upon trying to balance her payments to the United States against her receipts from that country.

There were no feasible tariff or other tax measures which could have reduced nonessential Canadian demand for United States dollars enough to balance total demand and supply at a reasonable rate of exchange. Allowing the short supply to go to the highest bidders would have squeezed out many who needed exchange for essential purposes, and a sharply depreciated and fluctuating currency would have hampered organization of the war effort. Direct action was therefore taken on September 16, 1939, to stabilize the exchange rate, and to establish control over exchange transactions so that United States dollars could, in certain cases, be diverted from less essential to more essential uses. The first measure of diversion was to prohibit capital exports except in respect of maturing contracts. The second, in July 1940, was to prohibit purely pleasure travel in the United States, and the third, in December 1940, was to extend the prohibition to a specific list of luxury and semiluxury imports. Arrangements made between the American and Canadian Governments in April 1941 for substantial sales of war equipment and materials to the United States have afforded considerable relief, though they have not entirely stopped the drain on Canada's limited United States dollar reserves.

Following Dunkerque and the fall of France, Canada's war plans were greatly expanded. Much of the slack in her economy had already been taken up and by comparison with the job which was now ahead the amount of surplus capacity which remained was not impressive. It was clear that it would now be necessary to hold down the rising tide of civilian spending, and ultimately reduce it, if conflict with the war effort, soaring prices and general disorganization were to be avoided. To do this, the second and third war budgets imposed extremely heavy tax increases.

In June 1940 the excess-profits tax was increased to 75 percent. Moreover, a minimum for the excess-profits tax was set at 12 percent of net taxable income and in April 1941 the minimum was increased to 22 percent. Taken in conjunction with the 18 percent corporate tax, this means that for the duration of the war every corporation has to pay

at least 40 percent of its net income to the Federal Government.

Personal income-tax rates were enormously increased, exemptions were lowered and a national-defense tax was introduced. This tax is levied on the whole income of single persons earning more than \$660 a year and married persons earning more than \$1,200 a year, and is deducted at the source. The rate is 5 percent, except in the case of single persons earning more than \$1,200 a year, who have to pay 7 percent. The following table illustrates the net effect of these changes.

Canadian income tax + national-defense tax (all earned income)¹

Income ²	Single person		Married person—no children	
	Pre-war	Present	Pre-war	Present
\$700		\$35		
\$1,300	\$13	174		\$65
\$1,800	36	286		135
\$2,400	68	448	\$18	255
\$3,600	148	815	80	555
\$5,000	265	1,333	177	1,000
\$10,000	910	3,600	754	3,080
\$25,000	5,073	12,083	4,757	11,185
\$50,000	14,832	27,653	14,458	26,225
\$100,000	39,699	61,608	38,620	59,135
\$500,000	308,401	392,980	307,746	382,380

¹ The Canadian surtax on investment income is 4 percent on all such income over \$1,500.

² The Canadian law does not allow any deduction for other taxes, interest on personal indebtedness, or losses on personal property, and there are no tax-exempt bonds in Canada.

The tax increases shown in the table, taken in conjunction with the heavy increase in corporate taxation, have obviously compelled severe retrenchment by those in the middle and upper income groups. Even the lower income group, whose aggregate earnings have increased substantially as a result of war expenditure, has been asked for a relatively large contribution. However, the Government has attempted to apportion this contribution on the basis of ability to pay by avoiding, for the most part, increases in regressive taxes on commodities or services that enter into the subsistence standard of living. In both 1940 and 1941 commodity taxes accounted for only about one-third of the tax increases, and were mainly on luxuries or things that were becoming particularly scarce.

Actual revenue collections increased from \$480,000,000 in the 12 months before the war to \$1,120,000,000 in the second year of war, and are now running at a rate of more than \$1,500,000,000 a year. Taxes on personal income, which totaled \$56,000,000 in the year before the war, are now running at a rate of about \$375,000,000 a year, and taxes on corporate income have increased from \$77,000,000 to about \$400,000,000 a year.

Clearly Canada has gone a long way with taxes designed to restrict civilian spending, and to enable her to pay as she goes. In spite of this, a substantial amount of borrowing has been necessary. After allowing for a large increase in the government's cash balance, net borrowing over the first 2 years of the war amounted to a little more than \$1,200,000,000. There has, however, been no borrowing abroad. On the contrary, Canada has reduced her United States dollar debt slightly, and her sterling debt substantially, during the war period.

In borrowing such large amounts it has become increasingly necessary to appeal to persons with modest income. This group has received a large increase in net income since the war began, even after allowing for war taxation, while, on the other hand, the net income of the well-to-do has been reduced. Initially, much of the increase in low incomes had to be spent to repair the ravages of the depression. Now, however, growing pressure on Canada's productive capacity

makes it increasingly urgent to postpone the spending of this increment until after the war, wherever possible. The major appeal to small savers has been through the sale of war savings certificates and stamps, on a payroll or other pledge basis, and 30,000 voluntary workers are now on this job. In addition, in the most recent war loan, of June 1941, a house-to-house canvass was made and a total of 970,000 subscriptions was obtained.

These fiscal measures of taxation and borrowing were designed to keep civilian demand in balance with the amount of productive capacity available after war requirements had been met. Taken as a whole, they represented a strenuous effort, but, in the case of a number of important individual commodities of greater than average scarcity, they were not enough. In the case of these commodities, war plus civilian demand still substantially exceeded the total supply, and it became necessary to choose between two disagreeable alternatives. The first was to let the open market ration the supply. In this case the price would rise without any commensurate increase in the volume of production, and the available supply would go to the highest bidders regardless of the purpose for which they wanted it. The other alternative was for the Government to stabilize the price and take whatever steps were necessary, by formal rationing or otherwise, to ensure that war and essential civilian needs were filled ahead of nonessential demands. The second method involves interference with the freedom of the market, and its disadvantages are obvious. Nevertheless, in relation to the really critical scarcities caused by World War No. 2 the decision in Canada and nearly every other country has been that it is the less undesirable of the two.

The shortage of United States dollars was Canada's first important example of a supply problem which had to be dealt with in this way. However, after the summer of 1940 cases of particularly acute scarcity began to crop up frequently and by the fall of 1941 formal or informal controls were in force with respect to iron and steel, aluminum, nickel, copper, brass, zinc, magnesium, tin, certain chemicals, machine tools, construction projects, and installations of equipment, automobiles, and certain other durable consumers' goods, lumber, rubber, gasoline, bacon and cheese, to mention only some of the major items made scarce by Canadian or Allied war demand.

When the war began national income had been running at the rate of \$4,200,000,000 a year, with about 1 percent of it devoted to war purposes. By the fall of 1941 national income had increased to a rate of about \$6,000,000,000 a year, but Canada's own direct war expenditure was now at the rate of \$1,300,000,000 a year and she was providing the Canadian dollars needed to meet Britain's net war requirements in Canada at the rate of about \$1,000,000,000 a year.¹ These were not appropriations or contracts placed, but actual disbursements. Every dollar used for either of these purposes had to be raised in Canada and represented Canadian output, which could not be used for private investment, maintenance of private capital equipment, or private consumption.

In other words, there were fewer things for civilians to buy than there had been at the beginning of the war, while incomes were now higher by about \$1,800,000,000, or more than 40 percent. It is true that taxation was channelling more than half of this increment directly into payments for war production,

and that saving of one sort or another was, of necessity, doing the rest of the job. The important question was, however, whether the saving was the positive kind that kept down demand (and made price stability possible), or the passive kind typified by the increases in working cash balances which automatically result from a rising price level.

Prices had risen considerably since August 1939. Industrial material prices were up by 41 percent, general wholesale prices by 28 percent, and the cost of living by 15 percent. Much of this total increase could be accounted for by the 10 percent premium on United States dollars, increased import taxes, and increased ocean-freight rates. Moreover, there had been a desirable recovery of agricultural prices from an abnormally low level and many of the other price adjustments which occurred during the general rise had been helpful in increasing production along required lines. However, the major effect of the special factors had appeared before the spring of 1941, and the record of prices between the end of March and the end of September was suggestive. Industrial material prices increased by 11 percent, general wholesale prices by 8 percent, and the cost of living by 6 percent.

It was, of course, the prospects for the future rather than the record of the past, which gave cause for concern. The military defeat of Germany was obviously going to require a great increase in the effort of Canada and every other anti-Axis power. On the other hand, nearly all the slack in the Canadian economy had now been taken up. Labor, even unskilled labor, was hard to get. A power shortage was looming. Transportation facilities were hard pressed. It was becoming more difficult to get needed supplies from the United States, where the incidence of the defense program was giving rise to the same kind of shortages as in Canada. Finally, ocean shipping was becoming so scarce that many materials available in abundance overseas could no longer be brought to North America in the desired quantity.

So far, fiscal measures had carried the main load of clearing the way, or rather keeping the way open, for war production. They had succeeded in holding down civilian spending reasonably well, and had left only particular supply problems of greater than average scarcity to be handled by direct controls. Now, however, an actual reduction of total civilian expenditure was necessary—probably a large reduction. Could fiscal controls be developed far enough and fast enough to meet the new needs?

Unfortunately taxation is a relatively blunt instrument of control. As a means of cutting down the spending of people with large incomes, it can be reasonably effective and fair, and Canada has not been half-hearted about using it. But what is wanted now is some fair and practical method of effecting a substantial curtailment of spending on the part of those with small incomes as well. It was possible and proper to avoid this when there was slack in the economy, but there is no way of avoiding it now, when a constantly growing war effort is reducing the supply of goods available to civilians. Where the surplus of income over an individual's basic needs is small, and varies greatly between different individuals with the same income, it is, however, extremely difficult to devise any fair tax which could do a major job in a satisfactory way. This is true even with a tax that is refundable after the war. Moreover, tax controls are relatively inflexible. Taxes cannot be imposed and collected, or changed, quickly enough to meet all the needs of a total-war situation.

On the other hand, there is danger in leaving too much of the required curtailment of civilian spending to be effected by voluntary saving. Because of the backlog of demand for the modest comforts of life which accumulated during the depression, one must recog-

nize that many would save too little and too late. Good leadership can reduce this danger by promoting public understanding of the issues involved, but Canada, like other democratic countries, is reaping the fruit of failure in the past to explain the facts of economic life to the mass of the people.

Surveying the situation at the end of the second year of war, when about 40 percent of the national income was already being devoted to war purposes, only one conclusion was possible. Shortages were becoming so acute and widespread that fiscal controls, however much they could in practice be strengthened, would not be enough. They would require far greater support than in the past from direct controls over price and distribution. Otherwise Canada would be resigning herself to price rises so numerous and rapid that they would soon touch off a general inflation. The Canadian Government had always rejected this alternative, with good reason.

When an inflationary spiral gets under way selling prices rise, but so do costs, and advances are likely to be irregular and hard to predict. Producers have to waste precious time trying to protect themselves from the hazards of these constant shifts, and a rising cost of living promotes a continuous succession of wage disputes. Neither management nor labor can concentrate its whole attention on the urgent job of turning out the goods.

There is another and more important reason why inflation and total war do not mix. If the word "total" means anything, it should mean that war production will eventually be increased to the point where no more productive capacity is left available for civilian use than is needed to maintain physical efficiency and morale. This implies that no one will have more than he really needs, but also that everyone will have the necessary minimum. Inflation, on the other hand, caters to the highest bidder and places the brunt of wartime scarcities on the economically weak. It would cause unnecessary suffering and unrest, and would rule out the possibility of a maximum effort; also, the hang-over from inflation would aggravate the inevitable difficulties of post-war adjustment.

The Government was determined not to succumb to this menace. The only question was whether it should attack the problem in a comprehensive or piecemeal way.

For example, it would have been possible to extend price controls rapidly, but on a selective basis. However, shortages were accumulating at such a rate that the selective approach could not have remained selective for long. Within a relatively short time something approximating to an over-all price ceiling would necessarily have emerged. In the meantime those prices which were uncontrolled would have risen. This would have been unfair to producers whose prices had been controlled. It would also have impaired the balance of the price structure—which, as it then existed, did not have many major distortions (except for the low price of wheat) and was reasonably well adapted to drawing out the maximum production of things wanted in a war economy. A selective approach would have required the price-control authority to name and justify the items which should be held down while other prices were rising. An over-all price ceiling, on the other hand, would put the onus on the producer to justify any price rise in his favor while other prices were being kept stable. Finally, a selective approach would have made ultimate stabilization more difficult because every rise in uncontrolled prices would have brought additional and unnecessary pressure on the price ceilings which had already been established.

After careful consideration, the Canadian Government decided to attack the price problem on an over-all basis. In a broadcast on October 18 the Prime Minister said that the upward movement of prices had

¹The Canadian dollars are turned over to Britain in exchange for pounds sterling held in London. The Canadian Government has used a portion of this sterling, to date about one-third, for the redemption of certain of its bond issues held in the United Kingdom, but the rest remains as an accumulation of foreign currency.

become a general problem which called for general treatment, and announced that a ceiling would be placed over the prices of all goods, rents, and a number of important services. He also said that, wherever necessary, steps would be taken to control civilian consumption in a fair and equitable way.

The price ceiling came into effect on December 1, and for any seller is the highest price charged by him during the 4 weeks September 15 to October 11. The Wartime Prices and Trade Board was given the task of administering this policy and no upward adjustment of any ceiling price may be made without its permission. The Board also has power to set maximum prices below the ceiling level.

The government recognized that prices could not be stabilized unless costs, including wage costs, were also stabilized, and as early as December 1940 a tentative wage policy had been worked out. It took the form of an order in council for the guidance of boards of conciliation, to whom all labor disputes in war industries had to be referred. It fixed basic wage rates at the relatively high level then prevailing (though upward adjustment could be made where a conciliation board found them to be abnormally low) and provided that any subsequent increase in rates should take the form of a standard cost-of-living bonus. The bonus was at the flat rate of 25 cents per week for each increase of 1 percent in the official cost-of-living index.

This arrangement appears to have been reasonably satisfactory to employees and employers in war industries. As labor became more scarce, however, wage increases in excess of what was provided for under the government plan began to occur frequently. This was unfair to those employees and employers who were abiding by the plan and made stabilization of prices more difficult.

The government therefore decided to extend its wage policy for war industries to all industry, to make it mandatory, and to provide machinery for its enforcement. A national war labor board consisting of five representatives of employees, five representatives of employers, and an independent chairman has been appointed to advise the government on labor matters, and to consider applications for the adjustment of abnormally low basic wage rates. Without its permission no basic rate can be increased, but on the other hand, employers are now bound to pay the standard bonus in respect of any increase in the cost-of-living index after October 1941, unless they can prove to the board that they are financially unable to do so. Subsequently, a ceiling has been placed over executive and managerial salaries.

In framing its price stabilization policy the Government gave special consideration to the effect upon agriculture. Farm prices were in general higher than they had been for 10 years, but in some cases they had not kept pace with increasing costs of production, particularly the cost of feed. In other cases, notably that of wheat, prices were still unduly low. To safeguard total agricultural income, the Government undertook to pay all transportation costs on feed grain from the prairies to eastern Canada or British Columbia. It will also make a special payment of 37½ cents per cultivated acre to farmers in the spring wheat area.

A statement of policy by the Wartime Prices and Trade Board has made it clear that, in general, no upward adjustments in the retail price ceiling will be permitted. Where costs are higher than those upon which the retail ceiling price was based, retailers, wholesalers, and manufacturers will be expected to work out among themselves a fair distribution of the excess. If no agreement can be reached, the Board will investigate and decide, distributing the burden in accordance with ability to shoulder it. However, there is no intention of depriving essential enterprises of a reasonable return, and

in any case where the excess costs are too great, the Board may recommend that the Government absorb part of the burden. Wherever possible, this contribution will be made at the stage of primary production or importation, and will take the form of a reduction in the cost of raw materials or imports. A Commodity Prices Stabilization Corporation is being organized with this end in view. The Prices Board may also recommend that import duties or taxes be reduced or that an outright subsidy be paid where this is necessary for the maintenance of the retail price ceiling. The Board has, of course, emphasized the immediate necessity of making economies wherever possible, particularly by standardization of products and elimination of frills.

This means that, in general, where irreducible costs exceed the retail price ceiling, the excess will not be levied upon the consumers of the article in question but, through the Government, upon the people as a whole. If the former method were used on any scale it would, through its effect on general costs and wage rates, make stabilization impossible. Particularly in view of the importance of import costs, over which Canada has little control, the latter device will have to be used in many cases if the inflationary spiral is going to be stopped. Every rise in American prices does, however, make stabilization in Canada more difficult, because of its effect on export as well as import prices. Exports are not subject to the price ceiling, and if rising prices abroad begin to drain off materials or goods that cannot be spared, more control over exports will presumably be necessary.

Wage stabilization is perhaps the most difficult part of the over-all program. For years labor has suffered all the consequences of operating in a buyer's market. Now that it has an increasingly tight seller's market, acceptance of a stabilized rate of return calls for much self-restraint and a degree of long-sightedness which management and governments did not exhibit in their handling of labor problems during the depression period. However, there has been very heavy taxation of the middle- and upper-income groups, directly and through corporations. In addition, a steadily rising cost of living, and informal rationing of things, such as durable consumer goods, gasoline, bacon, and cheese, have begun to drive home this hard reality—that because of the war there is not enough to go around, and that no group in the community can escape the consequences. There is, therefore, reason to believe that Canadian wage earners will take the long view and choose stable wages, stable prices, and an equitable division of the short supplies available, rather than a disorganized scramble in which the devil would take the hindmost. No doubt, however, much will depend upon whether or not the operations of the National War Labor Board give evidence that the Government is implementing a positive policy with regard to collective bargaining, and labor relations in general.

It is too early yet to say how the Government's bold and comprehensive program for stabilization will work out in practice. Particularly where formal rationing is necessary, however, it will raise administrative problems on a scale never before faced in Canada. Skilled personnel will be required which cannot easily be spared from other essential activities. The freezing of the price structure will remove elements of incentive and flexibility which it would be very desirable to retain, and will involve interference with many normal democratic practices. These things are not pleasant to contemplate even as temporary expedients to meet an extreme emergency.

Accordingly, though the direct-control program is certainly preferable to inflation, and is necessary at the present stage of Canada's war effort if inflation is to be avoided and a

maximum effort attained, it is no substitute for any practical measures which can still be taken to bring demand more nearly into balance with supply.

For example, further efforts could be made to increase the supply of goods by more effective mobilization of what labor reserves remain, by more effective utilization of the present working force, or by other steps which would increase productive efficiency or reduce waste. The demand for goods could be reduced by more strenuous saving and heavier taxation. This would relieve some of the pressure on the price ceiling, would ease administrative problems, and would reduce the need for official rationing. To the extent that public opinion makes this possible, Canadians at home will be prosecuting the war in the most efficient and democratic way they can.

Mr. DOWNEY obtained the floor.

Mr. LA FOLLETTE. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum?

Mr. DOWNEY. I yield.

Mr. LA FOLLETTE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gerry	Nye
Austin	Gillette	O'Daniel
Bailey	Glass	O'Mahoney
Bail	Green	Overton
Bankhead	Guffey	Radcliffe
Barkley	Gurney	Reed
Bilbo	Hayden	Reynolds
Bone	Herring	Rosier
Brewster	Hill	Russell
Brooks	Holman	Schwartz
Brown	Hughes	Shipstead
Bulow	Johnson, Colo.	Spencer
Bunker	Kilgore	Taft
Burton	La Follette	Thomas, Idaho
Butler	Langer	Thomas, Okla.
Byrd	Lee	Thomas, Utah
Capper	Lodge	Tobey
Caraway	Lucas	Truman
Chandler	McCarran	Tunnell
Chavez	McFarland	Tydings
Clark, Idaho	McKellar	Vandenberg
Clark, Mo.	McNary	Van Nuys
Connally	Maloney	Wagner
Danaher	Maybank	Wallgren
Davis	Mead	Walsh
Downey	Millikin	Wheeler
Doxey	Murdoch	White
Ellender	Murray	Wiley
George	Norris	Willis

The PRESIDING OFFICER. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. BARKLEY. Mr. President, will the Senator from California yield to me?

Mr. DOWNEY. I yield.

Mr. BARKLEY. In view of the fact that an amendment is to be offered by the Senator from Alabama [Mr. BANKHEAD] transferring to the Secretary of Agriculture power to fix prices with respect to agricultural products, and in view of the fact that the Senator from Ohio [Mr. TAFT] is to offer an amendment setting up a board instead of a one-man administrator, I desire to have read from the desk, in a moment, a communication received from the President of the United States regarding both amendments. Before that is done, however, I wish to make a preliminary statement.

The bill now under discussion was introduced in the House and in the Senate on the 1st day of August 1941. In the

House Committee on Banking and Currency extensive hearings were held, lasting several weeks, if not months. During those hearings the Secretary of Agriculture testified at length in behalf of the bill. During his testimony he did not suggest that the power to fix maximum prices on agricultural products be taken from the Price Administrator and conferred upon the Secretary of Agriculture.

The bill passed the House in December, came over to the Senate, and was referred to the Committee on Banking and Currency, where we held hearings for 2 weeks. During those 2 weeks the Secretary of Agriculture did not appear as a witness; and, so far as I know—and I was a member of the subcommittee which held the hearings—he did not request a hearing before the committee.

The subcommittee deliberated on the bill for several days, and finally reached a conclusion with respect to everything except one matter, and that was the question of whether there should be 100 percent or 110 percent of parity fixed as a floor below which the Price Administrator could not go in fixing agricultural prices. The subcommittee at that time stood 3 to 3 on that proposition, and agreed to leave it to the full committee.

The subcommittee met again on the 2d day of January, just prior to reporting the bill to the full committee, and prior to the report of the bill to the Senate by the full committee. On that last day the Secretary of Agriculture asked to be heard. He came before the committee and made a statement in which he requested that an amendment be agreed to which would transfer to him the control of prices of agricultural products. The subcommittee declined to agree to that, and the full committee also declined to agree. Because he went before the committee on that proposal there has been some confusion as to the attitude of the President and the administration with respect to that matter. Therefore, I ask that the clerk read, for the information of the Senate, so that they may have it before them for consideration, a message to me in the form of a telegram which I received late yesterday afternoon.

THE PRESIDING OFFICER. Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

THE WHITE HOUSE,
Washington, January 7, 1942.

Hon. ALBEN W. BARKLEY,
Washington, D. C.:

I appreciate the speed with which the Senate committee is handling the price-control bill, for price-control legislation is a very important part of the whole war structure.

But I am somewhat disturbed by reports that a board has been suggested as a substitute for a single responsible individual. I am also disturbed at the suggestion that control over agricultural commodities be separated from all other articles and vested in the Department of Agriculture.

I strongly hope that no division of control will be made. The whole price structure is linked together.

I am sending a copy of this to Senator BROWN.

FRANKLIN D. ROOSEVELT.

Mr. BARKLEY. I thank the Senator from California for yielding to me to have the telegram placed in the RECORD.

Mr. DOWNEY. Mr. President, I am asking the Senate to consider and pass on three small amendments which are all germane to one subject and are designed to exempt from the operation of the pending measure the moving picture and theater industry. Our radios and our newspapers are not subject to the terms of the price-control bill, and it would seem that the same principle should be applicable to the moving-picture industry.

Therefore, Mr. President, I desire to propose the following three amendments and will ask that they all be considered and passed upon at the same time, as they all seek to perform the same function:

The first amendment is on page 45, after the first comma, in line 14, to insert the words "or motion pictures"; on page 49, in line 10, after the word "magazines", to insert a comma and the two words "motion pictures"; and in line 24, on the same page, page 49, after the first comma in that line, which comes after the word "magazine", to insert "or moving picture or other theater enterprise."

THE PRESIDING OFFICER. The clerk will state the amendments offered by the Senator from California.

THE CHIEF CLERK. On page 45, line 15, after the word "material", it is proposed to insert "or motion pictures"; on page 49, line 10, after the word "magazines" to insert "motion pictures"; and on page 49, line 24, after the word "magazine" to insert "or motion picture or other theater enterprise."

Mr. BROWN. I may say that the Senator from California took the subject up with me, as did the Senator from Wisconsin [Mr. LA FOLLETTE], who has prepared an amendment somewhat along the same line. So far there has been no intention on the part of the Price Administrator to attempt to exercise any control over this subject matter, and in neither the House nor the Senate hearings was there any testimony which indicated that it was intended to cover admissions to theaters. There is justification for the position that they are entitled to the same exemption as newspapers and periodicals. Therefore, so far as I am concerned, I have no objection to the amendment.

I wish to ask the Senator from Alabama [Mr. BANKHEAD], who said something this morning about wanting to have his amendment first considered, if there would be any objection to disposing of unobjected-to amendments such as this prior to taking up contested amendments?

Mr. BANKHEAD. I am perfectly willing to follow the procedure which the Senator in charge of the bill prefers to follow.

Mr. BROWN. Then I have no objection to the amendments, and am pleased to accept them.

THE PRESIDING OFFICER. Without objection, the amendments will be agreed to en bloc.

Mr. O'DANIEL obtained the floor.

Mr. BONE. Mr. President, will the Senator from Texas yield for a moment to enable me to propound an inquiry to the Senator from Michigan?

Mr. O'DANIEL. Yes; I yield.

Mr. BONE. In view of the inquiry of the Senator from California, I should like to ask the Senator from Michigan with reference to the license feature on page 45 regarding the selling of radio time, and the regulation of compensation for time sold by a radio broadcasting station. Just how will the regulation be applied in that case?

On page 45 the bill says that no license may be required of persons selling radio time. Would that provision apply to the chain broadcasting companies? The other reference is to broadcasting stations alone, and I wondered just how to apply it. I am curious about it.

Mr. BROWN. I think it was intended to exempt entirely from the provisions of the bill the licensing of radio chains or radio stations. We do not think radio time is a commodity, any more than newspaper advertising is a commodity.

Mr. BONE. I gathered that that was the purpose.

Mr. BROWN. That is the general purpose; and we sought to make certain of that by the definition on page 49:

Nothing in this act shall be construed to authorize the regulation of * * * rates charged by any person engaged in the business of operating or publishing a newspaper * * * or operating a radio broadcasting station.

There is a complete exemption of that type of business.

Mr. BONE. Both of the local broadcaster and of the chain supplying the material?

Mr. BROWN. The Senator is correct.

Mr. O'DANIEL. Mr. President, the antiagriculture bill which is before this body under the name of a price-control bill is a matter of vital importance, and one which, if put into effect, would greatly affect the welfare of every American citizen. This price-control bill could prove very dangerous and damaging to our Nation; and certainly we are all agreed that this is no time to make an unsuccessful venture or experiment which is as hazardous as this proposed price-control legislation.

I regard this price-control bill as a very unwise and unsound piece of legislation. In all of the argument put forth in behalf of this price-control bill, I have noted that the discussion has been between various Senators who appear to be interested in making this distasteful legislation more palatable to the farmers of America, since it is apparently a recognized fact that the farmers will suffer most under such a law; and I have been hoping that someone would raise the thought that the entire price-control bill should be abandoned and something thoroughly sound and workable substituted in place thereof, instead of trying to patch up a weak and unsound price-control bill by adding amendments.

I have tried my level best to find out why this legislation was ever proposed to this group of learned and intelligent Senators; but no sensible answer has been given to me on this subject. In fact, the only answer given to me as to who on earth wanted this kind of socialistic legislation enacted was that it was favored by former President Herbert Hoover. I realize, of course, that in this great democratic and deliberative body it is permis-

sible to bring up any kind of legislation for consideration, regardless of how ridiculous it may be, or how dangerous it may be to our democratic form of government; but I am convinced that this piece of price-control legislation would take first prize.

Mr. President, I am opposed to the passage of any bill designed to set up a governmental authority for the purpose of fixing prices along the general lines contemplated in this bill when, in my opinion, it is possible to accomplish the task in a more practical way by an entirely different kind of a bill, which I shall presently explain.

Whenever we vest in the hands of a governmental Price Administrator or some governmental board the power to fix prices either of all commodities or of a selective group of commodities, we are, in my judgment, setting up an agency which is potentially dangerous and which may be with us long after this war has been fought and won.

I certainly do not question the sincerity of purpose of the Members of the House and the Members of the Senate who are urging this character of legislation, but I do question their judgment. I wonder if they are considering and if they have considered all the implications of this measure, and what will be the practical results. I wonder, in the first place, what they hope to accomplish by such legislation. I receive a great deal of mail, but out of the thousands of letters I have received not one person has ever asked me to initiate any price-control legislation. Who is it that is wanting this kind of legislation? I can answer for the farmers and ranchers of my State by saying that they do not want any price-control legislation at this time; but if it must come, they want all agricultural commodities excluded; and if agricultural commodities are not excluded, they certainly want the control of agricultural-products prices left to the Secretary of Agriculture.

Surely nobody would be so absurd as to claim that the farmers of this Nation are profiteering; so why aim a bill directly at them? Surely it would be unwise for this Government to have one department, the Department of Agriculture, telling the farmers to let a certain percentage of their land lie idle in order to bring prices up, and have another department of our Government, the proposed price-control czar, forcing farm-commodity prices down. That is what we shall have if we continue the present Department of Agriculture and set up another price-control department to set farm prices.

Certainly this bill does not contemplate raising prices to the farmer. Consequently, it is intended to do exactly the opposite of what the Secretary of Agriculture is now trying to do. Is that not an inconsistent position into which the Senate is considering plunging this Nation?

Certainly the laboring people do not want such a bill. At least, none of them have asked me to initiate such legislation. The rank and file of labor knows full well that the wages of labor at every turn of the route of consumer goods from

producer to consumer have the direct effect of increasing prices. They know that this bill effectively to lower commodity prices, or even to keep them from advancing, tends to lower wages, or hold them where they are, and in all events to prevent any wage increases. Surely wage earners do not want price control, unless wages are excluded, or unless the price control is placed under the Secretary of Labor on all commodities as to which wages are a component part of the price, which, of course, would include practically every commodity in the Nation.

Now, if the farmers and ranchers and laboring people do not want this price-fixing legislation, who else is left that might want it? Somebody might suggest that the consumers want it. Well, the farmers and ranchers and laboring people constitute most of our consumers; but surely if any other consumers wanted price-fixing legislation they would want prices fixed on the things they buy at the place where they buy them, and this bill does not provide for price fixing of all retail commodities. I do not believe that the few consumers remaining outside of the group of farmers and ranchers and laboring people are interested in fixing prices of farm products, or any other products, except at retail stores where they do their trading. Even a casual investigation of the prices the farmer gets for his products and the prices the consumers pay for finished products processed in whole or in part from farm commodities will reveal that there is little connection.

For instance, the price of beefsteak in Washington was recently checked, and the retail price was found to be 75 cents per pound, while 1 year previously it sold at 45 cents per pound. During the same year that the price of beefsteak advanced from 45 cents per pound to 75 cents per pound in Washington, the price of beef cattle in Texas declined 1 cent per pound. What advantage would consumers have from having a price-control czar fix the price the farmer gets for his wheat? Consumers do not eat wheat, and they do not buy it direct from farmers. Consumers eat bread, and the price paid for a slice of bread here in some Washington restaurants would be equal to more than \$30 per bushel for wheat, while our farmers get around \$1.25 per bushel. The price paid for a cotton handkerchief here in Washington is equal to \$1,250 per bale for cotton, while this bill proposes to hold the farmer's price to less than \$100 per bale. How does it help the consumer for a price-control czar to set the price of cotton at 19 cents per pound to the farmer and exercise no control whatever over the retail price of the cotton handkerchief and other cotton goods purchased by consumers?

Mr. President, I do not mean to imply that this vast difference between farm prices and consumer prices is all profit. It includes manufacturing costs, transportation costs, handling costs, other expenses and profit. But I do contend that to protect the consumer the retail price and all intermediate prices are just as important as the farmer's price. The distinguished Senator from Michigan

[Mr. Brown] has repeatedly stated that price-fixing legislation is intended primarily to benefit consumers. It must be apparent to all who study this problem that in order to actually benefit the consumers by price fixing, we must fix retail prices, because regardless of what we include in the first price-fixing bill we pass, it is obvious to me that if we are going to attempt to fix prices by law, in the end we will be forced to fix prices on everything. So before we start out on this road of passing price-fixing legislation, vesting in the hands of a price-fixing "czar" in Washington the power to tell every retail merchant in the country what he shall sell a yard of cloth for, what a farmer shall sell a pig for, and what a manufacturer shall sell every article he makes for, I think it is well for us to consider most carefully the ultimate dangers and probable results of such legislation.

My experience has been primarily that of a businessman, and I am mentioning some of the commonplace ideas which occur to me about this type of legislation, with the hope that some of the things which I mention may result in causing the Senate to give more careful consideration to some features of this proposed legislation.

Right here I want to take occasion to express my 100-percent disagreement with a philosophy of government which it seems to me is rather prevalent today, that is, that whenever we have a job to do and appoint a man as an agent of the Government or as a member of some bureau, board, or commission, the action of making him a public official automatically endows him with all the wisdom of Solomon, and gives positive assurance that the problem which we have thrown into his lap will be properly and completely solved. It seems to me that too much of the legislation which we pass is nothing more than "passing the buck" by simply leaving the particular problem unsolved, and creating some board or commission with instructions to solve it.

Based on the experience which I have had in business, I can foresee many difficulties which will arise from any attempt to fix prices by law. For instance, we must have the maximum production from every industry in this country at this time if our national-defense program is to move forward as rapidly as we hope it will. This means that we must utilize not only our most efficient manufacturing plants, but that we must also utilize our inefficient plants. If a flat price is set on any commodity high enough to enable that the least efficient plants can operate, the result will be that the most efficient plants will be earning a tremendous profit.

Think of all the problems which would be involved in controlling the prices of wholesalers and retailers. What standards would we adopt? Suppose we took the standard of prices which exists today, and said by law they could not be increased; there would be a thousand ways by which such a law could be evaded. The wholesaler could increase the price to the retailer and state that, so far as the price of the merchandise was concerned,

no increase had been made, but that he was furnishing services now which he had not heretofore furnished, in the form of advertising or special discounts; in fact, other things too numerous to mention.

Manufacturers or wholesalers could charge the regular fixed prices for certain commodities, but they could force their customers to take with those commodities other articles which did not have fixed prices, and by putting high prices on those items, they would obtain for the job lot a very profitable price. There are hundreds of marketing combinations and schemes which wide-awake merchants can work out and do it perfectly legitimately, within the law.

Whenever we attempt to fix rigid prices, the small industries of the country will suffer more than others, the reason being that as the larger industries, which are more fully engaged in national defense, daily take more and more of the efficient workmen, the smaller industries will of necessity be called on to operate largely with those who are less efficient, and this lessening of efficiency must of necessity increase commodity prices. The larger industries produce in larger volume, and volume production automatically produces at lower costs.

It may be said that the price legislation does not seek to go as far as the matters which I am here discussing. The answer to that is to me obvious; no matter how we start in this field of price fixing, in the end we are going to have to go all the way if we get the job done. So we had as well consider now the whole program before we start out on this course.

I think it is inevitable, if we start out on the line indicated in the proposed legislation, that sooner or later, either in the pending bill or in some subsequent bill, we will have legislation which will attempt to fix wages by law, and to state that there shall be no increases in wages. Whenever we do this, we will be taking the very last step in regimenting the lives and daily efforts of all our citizens; and, furthermore, I think we would be attempting to do that which we could not do under the Constitution.

I say that whenever this Government undertakes to put into effect a price-fixing law which will actually get the job done and which will prevent inflation, we had just as well expect at that time to create a department which, sooner or later, will employ seven or eight hundred thousand people to do the necessary price fixing, policing, and enforcing. It is not unreasonable to expect that to get the job done might ultimately require the services of a million employees, because every citizen of the United States would be a potential law violator. And if we can believe the experience which we had in attempting to enforce that noble experiment known as the N. R. A., I believe my colleagues will agree with me that we would need an army of employees to make a price-fixing law work, even if we could make it work under those conditions. If it did not work fully and completely, it would fail completely and bring ruin in its wake.

It is claimed that this price-fixing bill will prevent or retard inflation. That is

contrary to my belief; in fact, I believe it will tend to increase inflation. I make that statement because, by arbitrarily holding farm-commodity prices down, we are sure to lessen production, and all economists agree that as the stock of consumer goods decreases, inflation increases. In my opinion, it is possible to control inflation, but not by price fixing, and especially when the avowed intention of this price-fixing bill, as stated by its sponsors, is to benefit consumers by reducing prices to the farmers, or at least prevent any substantial advance to the farmers. It appears to me that the philosophy of the bill is backward. If we reverse the process and enact legislation to increase the prices to farmers, and take off all restrictions as to acreage planted, the farmers of America will increase their production of consumable goods, and that will tend to retard inflation, according to most economists' theories.

At this point, Mr. President, let me diverge temporarily from the subject to express agreement with the statement made by the able Senator from Maryland [Mr. TYNINGS] and others that America may become not only the "arsenal of democracy," but also the "breadbasket of democracy."

Little attention is now being paid to production of food because we have some surpluses, but with few other nations able to produce food and most of them too poor to buy it, we will face a starving world after the war, if not before the war ends; and now is the time to fill our present storehouses and build more and more food storehouses and pack them to capacity. Unless we do this, there may come a time when we will be as desperately in need of food as we were caught desperately short of war equipment.

Are we to allow inflation to run rampant in this country? Are we to allow all of the evils which come with inflation to go unchecked? My answer to that is a very definite "no." I have in mind a perfectly reasonable method whereby we may prevent any unreasonable inflation in this country. The first thing I would recommend would be for the Government itself to stop doing those things which tend to bring about inflation. For instance, if all contracts for Government work were let in a fair and reasonable way, and if a bonus were paid to the contractor based on the amount of money he could save on the estimated cost of the project, instead of awarding contracts on a fixed fee, plus a percentage of the total cost, we would in that case be serving the taxpayer's interests and saving the taxpayer's money, and we would at the same time be preventing conditions in which costs are unreasonably increased and in which the very nature of the contract is such that the more it costs, the more profit the contractor makes. Certainly the Government should have an inflexible rule in awarding contracts, that every contract should carry a provision that it would pay a bonus to the management on the basis of the money saved. It is my belief that the power of the Federal Reserve bank has not yet been used to its full capacity to prevent inflation.

Furthermore, it seems to me it is possible for the Treasury Department to do far more than it has done. When it is necessary to secure additional funds, it should secure those funds directly from the citizens rather than borrowing them through our commercial banks, because when we borrow funds, that within itself is inflation, whereas securing the money from the citizens tends to prevent inflation, and the interests of the Government would be served alike in each case.

As I understand, the basic cause of inflation, as connected with our present war effort, is occasioned from the fact that the pile of consumer goods is reduced for many reasons. It is reduced by virtue of the fact that millions of people who have heretofore been engaged in the process of producing consumer goods have been moved over to the national-defense industries. Therefore, we have fewer producers within this field of consumer goods. Another reason is that the functioning of the priority system, which gives preference to defense industries, causes the consumer-goods industries to produce under capacity because they do not have enough raw materials. All these things, and others, combined, result in a constantly dwindling supply of consumer goods, and a dwindling supply of consumer goods produces inflation.

On the other hand, the almost 100-percent employment of all our citizens at increased wages has resulted in a combined increase in the purchasing power of most of our people. In other words, most of our people find themselves in the position of having more money to spend for consumer goods than they possibly have ever had before, but there are fewer goods to be bought. Then the competitive bidding for the small supply of consumer goods begins, and what we are interested in here today is to find a way to prevent the inflated prices, which it appears are inevitable, if prices are not checked.

To me it seems to be more or less a simple problem how to restore equilibrium between the quantity of consumer goods we have for sale and the amount of money which the people have with which to buy these goods. We already have a tremendous deficit in this country. In addition to that we are spending money at a tremendous rate. We are honest, and we expect to pay our debts, and it seems to me that right now is the time to start working toward that end. I believe that if instead of passing price-control legislation, which means creating another board or bureau to regiment the business of this country to tell us what we can do and what we cannot do, if we would adopt a proper system of taxation and enforced savings so as to take this excessive purchasing power out of the market for consumer goods, the result would be that we would retard inflation and get the job done in a sound, positive, and practical manner.

Many business institutions in this country today are earning enormous profits because of the added volume of work incident to the national-defense program. I think the first thing we should do is to enact an excess-profits-tax law which would be based on a fair formula to de-

termine excess profits, and this law should then tax all profits 100 percent in excess of a reasonable earning.

Then there is another thing which it would be necessary to do, and that is to withdraw from the competitive field of buying all excess earnings of our people. Therefore, I believe that along with a 100-percent excess-profits tax on business should go a combination of excess-earnings tax and compulsory savings tax on individuals.

Let me illustrate just what I have in mind. If a corporation has earnings of a million dollars in excess of fairly determined normal earnings which it enjoyed during the period immediately preceding our national emergency, the Government would tax that million dollars 100 percent. If the head of a large corporation, by virtue of increased profit, should decide to pay himself a salary of \$50,000 annually more than he had normally been earning, this increase should also be taxed 100 percent. If an individual who had normally been earning \$2,000 a year suddenly advanced to an earning of \$3,000 a year, I think it would be just and right for the Government to say to him, "We expect you to pay to the Government an excess-earnings tax of 100 percent of this increase, with the understanding that 75 percent of this excess earnings will be set aside in nonnegotiable Government securities payable back to you at the end of this emergency or 5 years from date."

The result of a system of taxation built on this broad general principle would be that we would have no excess corporation earnings with which to inflate prices, and we would have no excess individual earnings to serve to inflate prices, but, on the other hand, by a direct system of forced saving, 75 percent of the excess earnings of individuals would be saved for them, and would be available to them to spend during the period which will follow this emergency, which will probably be a period of very substantial depression.

I believe the idea which I have suggested here, with proper safeguards, could be made a part of and added to our present system of income taxing, and I believe it would solve the problem of inflation which we are worrying about here today.

The big advantage of the plan I am suggesting is this. If we adopt this plan, it could be made effective and carried out by the Department of Internal Revenue. Business would go along on the same basis on which it is now operating. We would not attempt to say to business how much profit they could make, but we would say to them, "If your profit is excessive compared to pre-emergency profits, we expect to take 100 percent of the excess away in taxes." We would not say to the individual who is making excessive earnings that, "We expect to take all your earning at this time," but we would say to all who are profiting from this emergency, "Your excessive earnings which are coming to you by virtue of this emergency, must not be used by you to inflate prices and thereby create a situation which will make it more diffi-

cult for other workers in this country to live."

We have in this Nation today many millions of people whose earnings have not been increased during this emergency, in fact, there are millions of white-collar workers who today are actually earning less in terms of what they can buy than they have been earning during past years. Certainly any system of taxation which proposes to levy flat pay-roll taxes on all people alike would be unfair. I am perfectly willing to go along if it is necessary to levy a flat pay-roll tax on everybody to supplement our national tax bill, but the first thing I want to do is to take completely out of the field of current purchasing power all excessive earnings, whether they be in the hands of corporations or individuals. Then, when we have everybody on the same basis, we can apply flat pay-roll taxes, if necessary, to the normal earnings of everybody.

I believe that the plan which I am suggesting, of utilizing taxation to its fullest power, would prevent any inflation, and that it could be carried out by governmental machinery which we now have. When the emergency is over, we shall not have created another fat government bureau with about a million employees, which will want to perpetuate itself long after the emergency is ended, and possibly seek to keep American business regimented and under bureaucratic control for the remainder of our lives and possibly the lives of our children.

I am convinced in my own mind that we have in departments in Washington today in places of power many persons who would completely destroy the present system of free enterprise and free government in this country and substitute for it a highly regimented, centralized government in Washington. If we pass a bill which creates a new bureau and provides for a few hundred thousand more employees, we will automatically make more difficult the battle which we shall have when this emergency is over to get back to the normal way of doing business.

I do not believe that we are forced to make a choice today between having unrestricted inflation on the one hand or unrestricted governmental bureaucracy on the other hand. I believe we can use taxation to pay our debts, and at the same time prevent any unusual price inflation. Certainly no one wants to profit by this war.

While I am talking on this subject, let me say that it is generally recognized that we can prevent inflation not only by restricting the purchasing power of the people to buy consumer goods, but also by increasing the supply of consumer goods. The best way that I know to increase the supply of consumer goods is to remove restrictions which prevent such supplies from being made available. I believe that the provisions of present laws which limit the hours of labor to 40-hours a week and require time-and-a-half for all overtime are very unwise in the present emergency. I believe that American labor should be encouraged to produce all it can. I believe that it should

be paid good wages. I am not in favor of wage reductions; but in this emergency if it is necessary for a man to work 10 hours a day I certainly do not believe that the recipient of the labor of that man should be required to pay a premium at the rate of time and a half for all overtime when he could employ other persons to work the additional hours at the regular rate and thus keep the cost down on the consumer goods produced, which, of course, would help decrease inflation. Laws which automatically result in the average producer producing less certainly aid inflation, in that they reduce the supply of consumer goods. Small supplies of consumer goods are, of course, the fundamental cause of inflation.

It may be that the remedies which I am suggesting here today may not be exceedingly popular; but I believe we should immediately recognize that we are in a terrible war, and the sooner we bravely and fearlessly face these issues and solve them, the sooner we will win the war and recover from its devastation. We cannot evade the issue by creating more boards and bureaus and passing on to some other agency responsibility for doing the job. I think it is a job which it is the responsibility of the Congress of the United States to do; and I think the best way to do it is by utilizing the power of taxation. I believe it is the simplest way to do it; and I believe we are more likely to have free American enterprise in this country when the emergency is over if we adopt this method.

The cost of 1,000,000 men to administer and enforce price-fixing legislation would be more than \$2,000,000,000 annually for salaries alone, and possibly another billion a year for expenses. Such a department would be a dead expense, with no income. To bring about more positive results by taxation the additional cost of operating the Internal Revenue Department would be slight. About the same number of income-tax reports would be made, but the figures would be different. Also, the Internal Revenue Department has an income, and is more than self-supporting.

Yesterday the able Senator from North Carolina [Mr. BAILEY] discussed the value of money and the effect of a fluctuating currency in connection with price fixing. He delved into ancient history and gave a splendid explanation of our position and the grave problems lying ahead of us in this Nation. While his discourse was eloquent and illuminating, I should like to bring our world problem, or national problem, down to lesser proportions. For illustration, suppose there were only 1,000 people in this Nation and that we used the barter system of swapping and had no money to use as a medium of exchange. Suppose we were then attacked. Part of the thousand persons would devote their efforts to the manufacture of guns and munitions; others would plant crops; some would weave cloth and make clothes; while others would go out and fight the battle. No money would change hands, because they would have no money, and inflation would not be a problem. But they would

work, produce, fight, and sacrifice. Those things are the essentials in winning a war.

But there are 130,000,000 American citizens instead of only 1,000, and we must necessarily use money as a means of exchange; but still we must work, produce, fight, and sacrifice just the same in order to win this war. Under our present system the only problem to solve is the money problem. We must keep our entire civilian population working and producing by using money as the principal incentive for their activity, because that is the way we have been trained. Inasmuch as the war is a mutual problem affecting the present and future welfare of each and every one of us we must make sure that not a single person comes out at the end of the war with a greater percentage of our money than he would normally acquire under conditions immediately preceding this emergency. We could do this by the taxation plan which I have just explained, and it would be done thoroughly and fairly and at less cost than by the price-fixing method which is now under discussion. By using the plan which I have outlined we could function under our democratic system without having any aftermath to clean up or adjust. We could keep right on after the war ends with the same system, except to reduce the percentage of excess-profits and earnings tax as our national expenses and our national debt might justify.

This excess-profits and earnings plan can be added to the next tax bill which comes along. It will not be long before we have the new tax bill before us, and very little time will be lost in getting it into effect. Furthermore, as soon as such a tax bill is passed, profiteering will suddenly slow down or stop, and retail commodity prices will drop or will come to a standstill, because very few corporations or individuals will take any particular delight in holding up their customers with exorbitant prices just to have their excess profits turned over to the Federal Government. What I have said would apply to all lines of commercial activity, including manufacturing, transportation, wholesaling, retailing, construction, to every line of business, and to all individuals. Our President has said there are to be no war millionaires made during this war. There are some persons who are well on their way to becoming war millionaires at this time. Are we going to stand idly by and permit such a disgraceful thing to happen, or are we going to back up our President? The plan which I have proposed will do the job, and it will eliminate all possibility of any war millionaires being made during this great crisis.

Mr. President, there is another grave danger in this proposed price-fixing legislation. I do not know who will be the administrator, but it is quite likely that in time to come there will be many administrators. There is no use to talk of personalities. We are concerned about principles and not personalities; and my remarks are not intended to reflect on anyone. But it is easy to see that by this proposed legislation we shall be setting up a most dangerous vehicle

if it should ever be administered by any person who would use it for personal gain. Tip-offs could be made in advance of price changes, and such tip-offs would permit those who received the information to make immense fortunes. Such legislation would lay the foundation for the most colossal ring of profiteering ever imagined. Even if some future administrator did not take part in the plot, with so many employees it would be possible for leaks to take place, and that would be extremely disastrous. As I said before, we are not dealing in personalities; but we are setting up the machinery, and we should be absolutely sure not to set up machinery susceptible to such grave abuses. Under such a set-up, racketeering could be conducted on an enormous scale—greater than any ever before dreamed of by the greatest crooks in history—and it would be possible for that to happen without any criminal intent whatever on the part of the administrator.

Mr. President, should such a dangerous department be set up, the blame would rest entirely upon the Congress of the United States.

My remarks have come sincerely and from my heart. I ask that this price-fixing bill be replaced with something safe, sound, and practical, which will help carry out our great wartime program, and help retain our democracy after the war is over.

Mr. President, I intend to vote for every piece of legislation that I consider essential to the successful prosecution of this war, but I do not regard this proposed price-fixing legislation as a war-necessity measure in any sense of the word. This war will be fought and won by men and machines, and I will support to the limit any appropriations or taxes or laws to provide those essentials. But in my opinion the passage of this price-fixing bill will only give unfair advantage to some, and will unfairly penalize others. It has already been proven by the arguments presented in this Senate that price-fixing legislation is for class advantage. This bill in its present form will penalize every farmer and rancher in my State, while the political contractors, speculators, money changers, and others will profit by it. It will penalize every small manufacturer in my State, and will put many of them entirely out of business, by setting the price of their products on the basis of cost of production in gigantic factories in which the cost of operation is naturally lower on account of larger volume. The same thing will happen to small industries in other States. The bill will centralize industry instead of decentralizing it, and such centralization will adversely affect every laboring person in the rural area of our large State of Texas. The bill will not benefit the consumers of our State, because many of our consumers produce what they consume. It will hold out to some of our citizens false hope that prices will be held down, when in fact they will be held down principally on articles which will not be obtainable at any price because they will not be manufactured. Mr. President, my people in Texas are anxious and willing to do their part

forcefully to prosecute this war. No where on earth will you find people more patriotic and loyal than the citizens of Texas. They are willing to work night and day, and to sacrifice to the extent of giving the last shirt off their back, but they believe the responsibility should be equally and fairly divided, and that each should do his part. Fairness to all and favor to none is all we ask. That is what my excess-profits-and-earnings-tax plan will bring about—fair play to all. At the same time it will accomplish what we now seek to accomplish. I believe it is very important that we should have an opportunity to consider an excess-profits-and-earnings-tax plan before we take final action on the price-fixing plan now under consideration. Therefore, Mr. President, I should like to state that at the proper time I intend to move that this price-fixing plan be laid on the table or recommitted to the Committee on Banking and Currency, or otherwise postponed, if possible, for further consideration after an excess-profits-and-earnings-tax plan receives consideration by this body.

Mr. President, in closing my remarks I desire to stress the fact that I fully realize the graveness of this war, and I shall at all times strive to the best of my ability to wholeheartedly cooperate for the sole purpose of successfully prosecuting this war. That is what all red-blooded American citizens will do, and that is what my people of Texas are doing, and what they know I am doing. But I am very much disturbed over this hazardous price-control legislation, and I cannot conscientiously say that I am able to see anything safe, sound, and practical in it. Hence, I am doing everything I know how to do in order to get this body to give careful and thorough consideration to the legislation which I have recommended, before final action is taken on this dangerous price-control bill.

Mr. VANDENBERG. Mr. President, I offer the following amendment: At the bottom of page 45, after line 25, insert the language found in the House text on page 7, subsection (g), reading as follows:

The powers granted in this section shall not be used or made to operate to compel changes in the business practices or cost practices or methods, means or aids to distribution established in any industry, except to prevent circumvention or evasion of any ceiling established under this act.

The sole purpose of the amendment, Mr. President, is to make sure that the bill is simply a price-control bill, and not a business management-control bill. It is my understanding that the able chairman of the subcommittee has no objection to the acceptance of the amendment.

Mr. BROWN. Mr. President, the Senator is correct. I am perfectly willing to accept the amendment.

The PRESIDING OFFICER (Mr. SPENCER in the chair.) Without objection, the amendment to the committee amendment is agreed to.

Mr. THOMAS of Oklahoma obtained the floor.

Mr. BROWN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Gerry	Nye
Austin	Gillette	O'Daniel
Bailey	Glass	O'Mahoney
Ball	Green	Overton
Bankhead	Guffey	Radcliffe
Barkley	Gurney	Reed
Bilbo	Hayden	Reynolds
Bone	Herring	Rosier
Brewster	Hill	Russell
Brooks	Holman	Schwartz
Brown	Hughes	Shipstead
Bulow	Johnson, Colo.	Spencer
Bunker	Kligore	Taft
Burton	La Follette	Thomas, Idaho
Butler	Langer	Thomas, Okla.
Byrd	Lee	Thomas, Utah
Capper	Lodge	Tobey
Caraway	Lucas	Truman
Chandler	McCarran	Tunnell
Chavez	McFarland	Tydings
Clark, Idaho	McKellar	Vandenberg
Clark, Mo.	McNary	Van Nuys
Connally	Maloney	Wagner
Danaher	Maybank	Wallgren
Davis	Mead	Walsh
Downey	Millikin	Wheeler
Doxey	Murdock	White
Ellender	Murray	Wiley
George	Norris	Willis

The PRESIDING OFFICER. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. O'MAHONEY. Mr. President, will the Senator from Oklahoma yield to me for a moment?

Mr. THOMAS of Oklahoma. I yield to the Senator from Wyoming.

EMERGENCY WAGE PARITY AMENDMENT

Mr. O'MAHONEY. Mr. President, yesterday I offered an amendment to the pending bill, which I desire to change in a slight particular. I ask that the amendment may be reprinted in the modified form and lie on the desk, and that it may also be printed in the RECORD.

The PRESIDING OFFICER. The amendment, as modified, will be printed in the usual form, printed in the RECORD, and lie on the table.

The amendment, as modified, intended to be proposed by Mr. O'MAHONEY, to House bill 5990, is as follows:

On page 29, after line 4, strike all of section 3, relating to "Agricultural Commodities", and insert in lieu thereof the following section 3:

"Sec. 3. (a) No maximum price shall be established or maintained for any agricultural commodity below the then current emergency wage parity price or comparable price for such commodity, adjusted for grade, location, and seasonal differentials, as determined and published by the Secretary of Agriculture in the manner hereinafter provided in subsection (b)."

"(b) For the purposes of this act, emergency wage parity prices shall be determined by the Secretary of Agriculture by constructing a combined index in which the purchasing power index now used by the Secretary to compute parity prices shall be given a weight of 80 and a factor representing an index of urban wage rates, as determined by the formula in use January 1, 1941, in the index of wage rates published in 'The Monthly Review of Credit and Business Conditions' by the Federal Reserve Bank of New York, shall be given a weight of 20. In applying this combined index the Secretary shall take such steps as in his judgment may be necessary to establish and maintain equitable

price relationships as among all agricultural commodities.

"(c) Any maximum price established upon the resale price of any agricultural commodity, or any grade, regional, or market classification thereof, or upon the price of any commodity processed or manufactured in whole or substantial part from any agricultural commodity shall not be below a price which will reflect to the producer of such agricultural commodity the emergency wage parity or comparable price therefor as determined pursuant to this section.

"(d) Neither the provisions of section 5 nor any other provision of this act shall be construed to authorize any action contrary to the provisions and purposes of this section: *Provided*, That nothing contained in this act shall be construed to modify, repeal, supersede, or affect the provisions of the act of Congress cited as the Agricultural Marketing Agreement Act of 1937, as amended or to invalidate any marketing agreement, license, or order, or any provisions thereof, or amendments thereto, which may be in existence or hereafter issued under the provisions of said act."

Mr. O'MAHONEY. Mr. President, in connection with the modified amendment, and with the whole problem which is being presented here, I wish to ask unanimous consent to print in the RECORD a press release which was given out by the Office of Production Management on December 30, 1941, together with a list of corporations to which certain war contracts have been given, and which I obtained from the Office of Production Management.

WAR-CONTRACT PROFITS EXCEED TOTAL FARM INCOME

The significance of this material is this: According to the statement of the Office of Production Management of December 30, 1941, there have been awarded by the Army and the Navy up to September 30, 1941, more than fifteen and a quarter billion dollars in war contracts. Those contracts totaling fifteen and a quarter billion dollars-plus awarded during the period from June 1940 through September 1941 have been issued to 2,922 corporations. Of that stupendous total, 82.6 percent was awarded to 100 companies; 100 corporations out of 2,922 to which more than fifteen and a quarter billion dollars in war contracts have been awarded received more than 82.6 percent.

Another interesting and startling fact in connection with this situation is that Mr. Leon Henderson, head of the Office of Price Administration, in testifying before the Banking and Currency Committee gave the estimate that corporate profits before taxes this year will total about \$11,500,000,000.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. SHIPSTEAD. Did the source from which the Senator got his information indicate on what formula was based the price which these corporations will receive for the things they produce?

Mr. O'MAHONEY. No.

Mr. SHIPSTEAD. Was there anything said about parity?

Mr. O'MAHONEY. Nothing was said about parity.

Mr. SHIPSTEAD. That is what I thought.

Mr. O'MAHONEY. More than that, nothing was said about the prices of 1910-14.

Mr. SHIPSTEAD. And nothing was said about inflation, was there?

Mr. O'MAHONEY. Nothing was said about it.

Mr. SHIPSTEAD. I do not think the Senator will hear anything said about it.

Mr. O'MAHONEY. But it is only proper to say that Mr. Henderson did argue that price control will tend to hold down the cost of war production. I am pointing to the fact that he estimates corporate profits are about \$11,500,000,000 for the year. When we consider that the total farm income, including benefit payments from the Government, in 1940—the farm income received by almost 23 percent of our entire population—was just a little more than \$11,000,000,000, it becomes impossible, it seems to me, to understand why news commentators upon the radio and editorial writers in the urban press continue to fling the charge of petty politics against Members of the Senate and of the House of Representatives who dare to utter a word in defense of agriculture.

Last night I heard a radio commentator say that one Senator, unnamed, who was said to have attended a farm conference the other morning, was quoted as having said, "The question is, Are we to be statesmen or friends of the farmer?" My point, Mr. President, is that the statesmanlike position in this crisis is to be a friend of the farmer, and if action by this body is not sufficiently courageous and forthright to make certain that the farmer shall not be submerged farther than he is now submerged, then it is difficult to look forward with hope to what is going to happen after this war. When the administrator of prices can come before the Banking and Currency Committee and tell us that corporate profits will be \$11,500,000,000 and when the Office of Production Management tells us that of more than \$15,000,000,000 in contracts, 82.6 percent have gone to 100 companies, the time, Mr. President, has come for the press and the radio to realize that if the farm population of the United States is to be condemned to become a peasant class, then, indeed, the day of democracy is done.

I apologize to the Senator from Oklahoma for having trespassed upon his time, but I desire that the press release from O. P. M., together with a statement listing the hundred companies, which I thereafter received from O. P. M., shall be printed at length in the RECORD at this point.

There being no objection, the press release and list were ordered to be printed in the RECORD, as follows:

The following tables, based upon studies made by the Bureau of Research and Statistics, Office of Production Management, show distribution of Army and Navy commitments for supplies.

The commitments cover procurement of ships, airplanes, tanks, guns, other equipment, food, and fuels, as distinguished from

cantonments, fortifications, arsenals, and factories.

The tables cover Army and Navy funds obligated with 100 leading primary contractors from June 1940 through September 1941.

The first table shows the number of companies to which commitments have been made within certain ranges from \$17,700,000 to and including \$1,000,000,000, plus actual amount of commitments with each group, and percentage of grand total this represents.

[In millions of dollars]

Number of companies	Range	Total amount of commitments for group	Percentage of supply contract total
3	\$800.0 to \$1000.0	\$2,657.7	17.4
4	\$600.0 to \$799.9	2,626.4	17.2
2	\$400.0 to \$599.9	904.0	5.9
6	\$200.0 to \$399.9	1,980.5	13.0
13	\$100.0 to \$199.9	1,805.2	11.8
16	\$50.0 to \$99.9	1,143.7	7.5
19	\$30.0 to \$49.9	670.1	4.4
37	\$17.7 to \$29.9	823.9	5.4
2,922	Up to \$17.7 ¹	2,602.9	17.4
Total, 3,022		15,274.4	100.0

¹ The tabulation is based on individual contracts of \$50,000 and over.

The following table shows cumulative totals of companies, and contracts awarded in categories ranging from 17.7 million dollars to one billion dollars.

[In millions of dollars]

Commitments	Cumulative number of companies	Cumulative total of commitments	Cumulative percentage of total
Over \$800.0	3	\$2,657.7	17.4
Over \$600.0	7	5,284.1	34.6
Over \$400.0	9	6,188.1	40.5
Over \$200.0	15	8,108.6	53.5
Over \$100.0	28	9,252.3	60.5
Over \$50.0	44	11,117.5	72.8
Over \$30.0	63	11,787.6	77.2
Over \$17.7	100	12,611.5	82.6
Over \$0.05 ¹	3,022	15,274.4	100.0

¹ The tabulation is based on individual contracts of \$50,000 and over.

One hundred corporations or independent companies holding greatest amount of War and Navy Department supply contracts awarded June 1940 through September 1941 (value in millions of dollars)

Corporation or company	
Bethlehem Steel Corporation	961.5
Curtiss-Wright Corporation	886.3
General Motors Corporation	809.9
Consolidated Aircraft Corporation	691.3
Glenn L. Martin Co.	670.3
Douglas Aircraft Co., Inc.	649.6
Boeing Airplane Co.	615.2
New York Shipbuilding Corporation	493.6
United Aircraft Corporation	410.4
Newport News Shipbuilding & Dry Dock Co.	389.2
Lockhead Aircraft Corporation	367.9
United States Steel Corporation	338.4
E. I. du Pont de Nemours & Co.	331.6
North American Aviation, Inc.	319.6
General Electric Co.	233.8
Seattle-Tacoma Shipbuilding Co.	179.6
Chrysler Corporation	174.5
Bath Iron Works Corporation	166.5
Western Cartridge Co.	158.9
Sperry Corporation	147.0
Aviation Corporation	137.7
Ford Motor Co.	134.2
Bell Aircraft Corporation	126.4
Electric Boat Co.	126.3
Bendix Aviation Corporation	124.5
Cramp Shipbuilding Co.	114.8
American Car & Foundry Co.	114.0

Corporation or company—Con.

Baldwin Locomotive Works	100.8
Consolidated Steel Corporation, Ltd.	98.2
Beech Aircraft Corporation	93.3
American Locomotive Co.	86.2
Los Angeles Shipbuilding & Dry Dock Corporation	83.4
Gruman Aircraft Engineering Corporation	81.0
American Woolen Co., Inc.	80.9
Continental Motors Corporation	71.0
Westinghouse Electric & Manufacturing Co.	69.5
Republic Aviation Corporation	65.6
Western Electric Co.	63.7
Packard Motor Car Co.	63.7
Tampa Shipbuilding Co., Inc.	62.7
White Motor Co.	61.3
Diamond T Motor Car Co.	57.5
Standard Oil Co. of New Jersey	55.2
Ingalls Shipbuilding Corporation	50.5
Studebaker Corporation	47.6
Anaconda Copper Mining Co.	43.5
Savage Arms Corporation	41.5
Gulf Shipbuilding Corporation	41.8
Moore Drydock Co.	38.0
Atlas Powder Co.	37.2
Phoenix Securities Corporation	35.5
Crucible Steel Co. of America	35.2
Colt's Patent Fire Arms Manufacturing Co.	35.2
Fairbanks Morse & Co.	34.9
Empire Securities, Inc.	33.1
Hercules Powder Co., Inc.	32.2
Northern Pump Co.	31.5
Arma Corporation	30.7
Firestone Tire & Rubber Co.	30.9
Manitowac Ship Building Corporation	30.5
Day & Zimmerman, Inc.	30.4
International Harvester Co.	30.3
Lake Washington Shipyards	30.1
Standard Oil Co. of California	29.3
Scovill Manufacturing Co.	29.1
Kelsey Hayes Wheel Co.	29.0
Bausch & Lomb Optical Co.	29.0
Todd & Brown, Inc.	26.8
Eastman Kodak Co.	26.5
Allis-Chalmers Manufacturing Co.	26.5
Williamette Iron & Steel Corporation	25.7
Mack Trucks, Inc.	25.3
Miehle Printing Press Manufacturing Co.	25.1
Procter & Gamble Co.	24.7
Northrop Aircraft Corporation	23.7
Goodyear Tire & Rubber Co.	23.1
Radio Corporation of America	22.7
Revere Copper & Brass, Inc.	22.6
Norris Stamping & Manufacturing Co.	22.1
Fairchild Aviation Corporation	21.7
Botany Worsted Mills	21.5
Singer Manufacturing Co.	21.2
Fairchild Engine & Airplane Corporation	21.0
Buffalo Arms Corporation	20.9
General Cable Corporation	20.2
Budd Wheel Co.	20.0
William Whitman Co., Inc.	20.0
Brewster Aeronautical Corporation	20.0
Dravo Corporation	19.7
Mesta Machine Co.	19.5
Associated Shipbuilders	19.4
Lansdowne Steel & Iron Co.	19.3
High Standard Manufacturing Co., Inc.	19.2
Pullman, Inc.	19.0
Marietta Manufacturing Co.	18.9
Shell Union Oil Corporation	18.6
American Finishing Co.	18.6
Hooven Owens Rentschler Co.	18.3
Defoe Boat & Motor Works	18.0
Koppers United Co.	17.7

Mr. THOMAS of Oklahoma. Mr. President, I offer an amendment to the pending bill. I ask that the amendment be printed in the RECORD, but at this time

I shall not ask to have it read. A little later I shall explain the amendment somewhat in detail.

The PRESIDING OFFICER. Without objection, the amendment will be printed in the RECORD.

The amendment offered by Mr. THOMAS of Oklahoma was, on pages 29 and 30, to strike out section 3 relative to agricultural commodities, and to insert the following:

SEC. 3. Section 301 of title II, of Public, No. 430, Seventy-fifth Congress, approved February 16, 1938, is hereby amended to read as follows:

"SEC. 301. General definitions: For the purposes of this act and the declaration of policy—

"(1) 'Parity,' as applied to the price for any commodity, is that price which will give to such commodity a value or purchasing power with respect to articles that the producers of such commodity may buy equivalent to the purchasing power of such commodity in the base period as adjusted and provided herein:

"(a) The base period for the purposes of this act is the 10-year period from July 1, 1919, to June 30, 1929, inclusive.

"(b) In calculating the 'parity' price for any commodity, such price with respect to value or purchasing power shall be determined at any given time on the basis of the price relationship existing between such commodity and the articles that the producers of such commodity may buy as such relationship existed during the base period and as provided in this section.

"(c) For the purpose of calculating the 'parity' price for any commodity, the index number of 100 as determined by the Bureau of Labor Statistics for the year 1926 shall equal the base price for all articles that producers may buy.

"(2) All 'parity' prices for commodities shall be calculated as nearly as possible on the formula provided for cotton, as provided herein, and the base price and parity price for cotton shall be calculated on the following formula:

"(a) The base price for cotton shall be the average price of spot seven-eighths-inch Middling cotton as such price was current at the 10 recognized southern concentration points at the close of such markets on the 1st and 15th days of each month during each fiscal year of the base period and the average of such bimonthly prices shall be considered the average or base price for cotton during such base period: *Provided*, That if either the 1st or 15th day of any month falls on Sunday or a legal holiday when any or all of the selected market places are closed, then the market close on the first succeeding market day shall be considered: *Provided further*, That the base price for wheat shall be the average price of No. 1 wheat as such price was current at not to exceed 10 general wheat markets or wheat concentration points on the 1st and 15th days of each month during each fiscal year of the base period, and the average price for such wheat at such points during such base periods shall be considered the average or base price for wheat for the purposes of this act: *Provided further*, That the base price for corn, rice, tobacco, and any other commodity, farm or industrial, shall be calculated on the same formula as is provided for cotton and wheat: *And provided further*, That the Secretary of Agriculture is herein authorized to select not to exceed 10 general market places for any farm commodity, other than cotton, and the Secretary of Commerce is authorized to select not to exceed 10 general market places for commodities other than farm products, and each to calculate the average or base prices of commodities as provided herein.

"(b) The average price of cotton, wheat, corn, rice, tobacco, or any other commodity

during the base period, as provided in (2) (a) above, shall be the base price for any such commodity.

"(3) The 'parity' price for cotton, wheat, corn, rice, tobacco, or any other commodity as provided herein shall be calculated at any given time by using the all-commodity index number as ascertained by the Bureau of Labor Statistics and by multiplying the base price of any commodity by the said index number the product ascertained will be the parity price for such commodity.

"(4) The provisions of said section 301 as amended herein with respect to farm commodities shall be administered by the Secretary of Agriculture and with respect to all other commodities the provisions of said section shall be administered by the Secretary of Commerce, and the parity prices for the base agricultural products shall be calculated and publicly announced at least once during each calendar month of each year: *Provided*, That each said Secretary is hereby authorized to adjust the parity price of any commodity falling under his respective jurisdiction as to staple, grade, location, and quality: *Provided further*, That prior to the announcement of the parity price on any commodity when (a) it appears that facts are not available for determining the base price, or (b) because of changed conditions the base price is, in the judgment of the Secretary having jurisdiction, not a fair, just, and equitable price, then such Secretary is authorized, after public hearings, to adjust such base price, either up or down, as the facts may warrant, in order to give a fair, just, and equitable parity price to such commodity.

"(5) The Administrator, as provided in this act, with respect to fixing prices on and for any commodity, farm, industrial, or otherwise, shall be governed at all times by the parity price of such commodity as calculated and publicly announced by the Secretary of Agriculture or by the Secretary of Commerce, as provided herein: *Provided*, That—

"(a) The Administrator is authorized to secure from the Secretary of Agriculture or the Secretary of Commerce the average or base price on or for any commodity as provided in this act and is authorized to secure from the Department of Labor the current index number as defined herein and may calculate, as provided herein, and announce the parity price of or for any commodity at any time.

"(b) The Administrator is not authorized to and shall not fix a price on or for any commodity at any time at a figure below the parity price of such commodity calculated and determined as provided herein.

"(c) When the current market price of any commodity is (1) at parity or (2) is within five points below parity, the Administrator is authorized to consider, determine, and fix a price for or on such commodity, as provided herein and to make such order or orders, and to take such action as may be necessary to fix and stabilize such price on or for such commodity until modified or rescinded by an appropriate order as provided by this act.

"(d) Upon the approval of this act the Administrator is authorized to consider the current price of any commodity and if he finds that such price is above parity as provided herein, he is authorized to investigate such price and if he finds, upon such investigation, that such current price is unwarranted, unjust, and indefensible, then after such a finding he is hereby authorized to fix a price on and for such commodity which will bring such price to a fair and just relationship with the other prices in our domestic economy.

"(e) With respect to the price of any commodity of which we have a surplus and so long as such price of such commodity does not reach within five points (percent) of parity as provided herein, the Administrator is without authority to act.

"(f) The Administrator shall not fix a price on or for any byproduct, processed article, finished product, or similar or comparable commodity, or on any byproduct, finished product, or similar product, either made or derived from such similar or comparable commodity, which will have the effect of reducing the price of any other commodity below the current parity price for such commodity.

"(g) Any order made by the Administrator fixing any price on or for any commodity, or article, at a higher or lower figure than the limits authorized by this act shall be null and void."

Mr. THOMAS of Oklahoma. In addition to the amendment which I now offer, I ask to have printed, immediately following the text of the amendment, an explanation of how parity price is arrived at.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

DEFINITION OF PARITY PRICE

The parity price of any farm commodity is that price which will give to such commodity a value or purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of such commodity in the base period.

BASE PERIOD

The base period is the 10-year period from 1919 to 1929. This period is suggested because it is the most recent period of a free farm economy. The depression came in October 1929 and since that time our farm economy has been controlled.

The period now being used—1909-1914—is considered too remote as conditions and prices have changed materially since that time. That period, 1909-1914, has been designated by responsible authorities as the horse-and-buggy era.

BASE PRICE

The base price for any farm product is the average price of such product during the 10-year base period, 1919-1929. The average price of cotton as defined in the formula was approximately 22.7 cents per pound. During that period the average price of No. 1 wheat was \$1.57 per bushel, and the average price for corn was 92.3 cents per bushel.

PARITY PRICE

To arrive at the parity price of any farm product we must determine the relationship of such price to the prices of the things which farmers must purchase.

Under the suggested formula the parity price of any given farm commodity is determined by the relationship existing between the base price of such product and the all-commodity index number prepared and issued each week by the Department of Labor.

During the base period (1919-29) this index number was the most stable in our entire history, and during such period the average of such index number was 103.

In 1926 such index number stood at 100, indicating that during said year all groups of commodities that farmers have to buy, such as foods, hides and leather, textiles, fuel and lighting, metals and metal products, building materials and chemicals, house furnishings, farm products, and miscellaneous items, were on a 100-percent relationship with each other.

By using the all-commodity index number of 100 we conclude that when such number is below 100, prices are lower than they were in 1926, and conversely, when such number is above 100, then prices are higher than they were in said year.

On December 13, 1941, the said index number was 93.1, hence prices at that time were 6.9 percent lower than they were in 1926.

Under the suggested formula, the parity price of any farm product may be determined

at any time by two simple calculations, as follows:

First, from the statistics in the Agricultural Department the average price of farm products may be arrived at and such average price will be the base price for any such product; and

Second, by multiplying such base or average price by the all-commodity index number, which is announced weekly by the Department of Labor, the product of such calculation will be the parity price at any given time for such product.

EXAMPLES

Cotton

Under the formula the parity price for cotton is determined as follows:

If the base or average price for cotton is 22.7 cents per pound, then by multiplying 22.7 by 93.1, the latest index number, we find the present parity price at 21.13.

Wheat

The parity price for wheat is determined as follows:

If the base or average price for wheat is \$1.57 per bushel, then by multiplying \$1.57 by 93.1, the latest index number, we find the present parity price at \$1.46.

Corn

The parity price for corn is determined as follows:

If the base or average price for corn is 92.3 cents per bushel, then by multiplying 92.3 by 93.1, the latest index number, we find the present parity price at \$0.859.

NOTE.—At the present time prices are rising and as they rise the all-commodity index number will rise, so that when such number reaches 100 the parity price for any farm commodity will be the average price of such product during the base period (1919-29). It should be conceded by all that farmers are entitled to have full parity prices for all agricultural products and that when full parity is attained then it should be the policy of the Government to maintain such full parity prices for farm products as nearly as is humanly possible.

Mr. THOMAS of Oklahoma. Mr. President, because of the importance of this measure, I presume to take some little time—not very much—to speak for one group that to date has been overlooked. I may have misunderstood yesterday; but if I did not misunderstand the language of the Senator from Michigan [Mr. Brown], who is in charge of the pending bill, I understood him to say that it is essentially a consumers' bill. If I am in error in my interpretation of his language used yesterday, I shall be very glad to pause for a correction. Hearing no correction, I assume that the bill is a consumers' bill. I wonder what part the producers are to play in the immediate future—next month, next year, or so long as the bill shall be upon the statute books.

Mr. President, I approach this subject in sympathy with the viewpoint that has been expressed. I realize that unless something is done, prices may rise very high. I remember very well, years ago, when prices were skyrocketing. I remember that cotton sold for 44 cents a pound, and that other farm products sold at high prices. I remember when industrial products sold for very high prices; and with the stimulation we had 20 years ago of only a small part of the national debt we now have, if we found the high prices then to be the result of the debt and the plentifulness of

money and credit, with the present condition I can foresee the need for something along the line of price control.

When the war was over, 20 years ago, the national debt was only \$26,000,000,000. I say "only \$26,000,000,000" because now we have been in the war for a month, and the national debt is almost \$60,000,000,000 and only a small part of the appropriations which have been made by Congress have been expended. When the appropriations which the Congress has already made shall have been expended, the total national debt will approach \$100,000,000,000.

Yesterday the President sent his new Budget message to the Congress. If I remember correctly, the Budget calls for an outlay for the coming fiscal year 1942-43 of a sum in excess of \$55,000,000,000; and, if I do not misinterpret the Budget message, it is hoped to raise only a relatively small part of that sum by taxation for the next year; so that at the end of the next fiscal year, if things go along as we plan them, we shall have a deficit of thirty-odd billion dollars to add to the appropriations we have already made. If my figures are approximately correct, if the national debt when we make the expenditures now authorized totals \$100,000,000,000, then we now can foresee, in 12 months from now or thereabouts, a total national debt of over \$130,000,000,000. I can foresee that if a debt of \$26,000,000,000 in the first World War brought about the occasion for rising prices and high prices, when this gigantic sum shall have been expended there will be additional reason for still higher prices than prevailed 20 years ago. For that reason, I say, I am not adverse to looking upon this proposal with a sympathetic attitude; and, believing that nothing is perfect, believing that no one person knows very much, but that many persons know a great deal, it occurs to me that this bill might be improved by some amendments. I propose an amendment which, in my opinion, will improve the measure.

This amendment, as I verily believe, will fill the specifications just enunciated on this floor by the distinguished Senator from Georgia [Mr. GEORGE]. He has not had a chance to consider the amendment; but before the amendment is finally proposed for a vote it may be a little more clear to the Members of the Senate.

Mr. President, I have here a number of charts which I shall place in the Record and explain briefly.

The first chart contains a quotation from the President. On July 5, 1938, President Roosevelt sent a letter to the members of the Conference on Economic Conditions in the South; and in that letter he said:

It is my conviction that—

Then I quote the remainder of the sentence on the chart—

the South presents right now the Nation's No. 1 economic problem—the Nation's problem; not merely the South's.

Mr. President, there is foundation for that statement, and I wonder why. Why did the President of the United States find it proper to make the statement that

the South presented the Nation's No. 1 economic problem?

The next chart will show my interpretation of why the President made that statement. I make the statement now, and I shall demonstrate in a moment, that when cotton sells for 10 cents a pound, the laborer who produces the cotton receives less than 10 cents an hour for his wages.

When cotton sells for 15 cents a pound, and cottonseed sells for \$35 a ton, the laboring man who produces the cotton receives less than 13 cents for his labor.

When cotton sells for 20 cents, and cottonseed sells for \$40 a ton, the man who grows the cotton receives 18.3 cents an hour for his wages.

When cotton sells for 25 cents a pound, and cottonseed sells for \$50 a ton, the man who plants the cotton, and chops the cotton, and cultivates the cotton, and picks the cotton, and gins the cotton, and markets it receives the magnificent sum of 24 cents an hour for his labor.

The cotton farmer who receives 30 cents a pound for his lint cotton, and \$60 a ton for his cottonseed, receives but 29.7 cents an hour for his labor in producing the cotton.

When the cotton planter receives 35 cents a pound for his lint cotton, and \$65 a ton for his cottonseed, he receives 35 cents an hour for his work.

When lint cotton sells for 40 cents a pound, and cottonseed sells for \$70 a ton, the man who grows the cotton and the seed receives 40 cents an hour for his work.

Then when cotton sells for 50 cents a pound—it has not sold for that in recent years, if it ever did; in the recent World War 44 cents was the top—when cotton sells for 50 cents a pound, if it should, and cottonseed sells for \$75 a ton, if it should—it has not sold for that yet, but if it should—the man who raises the cotton and the seed will receive but 50 cents an hour for his work.

Mr. President, the pending bill, if enacted in its present form, will sentence the cotton laborers of the South to a wage schedule of less than 20 cents an hour so long as the law remains upon the statute books. And here I have the proof.

I am glad I have the privilege of addressing Senators who raise cotton.

Mr. TYDINGS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Maryland?

Mr. THOMAS of Oklahoma. I yield.

Mr. TYDINGS. Is the statement made by the Senator that if the bill shall be enacted into law it will sentence the cotton raiser to a wage of 20 cents an hour—

Mr. THOMAS of Oklahoma. Less than 20 cents an hour.

Mr. TYDINGS. Very well. Is that statement based upon the parity which is assumed in the bill?

Mr. THOMAS of Oklahoma. It is.

Mr. TYDINGS. In other words, if the parity provision is adopted, it will mean, as I understand the Senator, less than 20 cents an hour for the cotton producer?

Mr. THOMAS of Oklahoma. That is correct. My State is a cotton-producing

State. We can produce a million bales of cotton in my State of Oklahoma. The State of Texas can produce 4,000,000 bales a year, and they usually produce 3,000,000. In my State we are producing about six or seven hundred thousand bales. The price of cotton appeals directly to the citizenship of 11 States in which cotton is produced.

Before I refer to the figures in connection with the production of cotton, what it costs, and what the producers receive, I wish to call attention to the present wage schedule in industry. I am not complaining about this schedule; I am merely putting it before the Senate in order that Senators may see the difference between what the wage earner in industry receives and what is received by the cotton planters on the plantations in the South.

I have a telegram which gives the price ranges now in effect in the building of manufacturing establishments, cantonments, and Army camps. The lowest wage rate now received by unskilled labor for regular time is 30 cents an hour, and it runs up to \$1.10. This information comes from the War Department. The War Department is now paying unskilled labor as low as 30 cents an hour, and the top pay is \$1.10.

At the present time the skilled laborer in industry receives from 80 cents an hour, which is the low rate, ranging up to \$2.25 an hour.

For overtime, which would mean time and a half, unskilled labor receives 30 cents, plus one-half of that, or 45 cents an hour, for such time as they work each day more than the allotted number of hours, which is 8. So that for overtime the unskilled laborer receives from 45 cents an hour to \$1.65 an hour.

At the present time the range for the skilled laborer for overtime is from \$1.20 an hour to \$3.375 an hour.

For double time, which means Sundays and holidays—and now labor is to work nights, as well as Sundays and holidays—the unskilled laborer will receive from 60 cents to \$2.30 an hour, and the skilled laborer will receive from \$1.80 to \$4.50 an hour.

As I have stated, I am not complaining of this wage schedule, but knowing that the men working in industry receive such rates of wage, when the Senate proceeds to pronounce a sentence upon the wage earners in 11 States by fixing their wage rate at less than 20 cents an hour, I cannot remain silent.

Mr. President, I want the cotton planters, those who raise cotton, to check my figures. If Senators cannot see the chart I have displayed here from where they are sitting, I ask them to come nearer so that they can see it. I exhibit a chart to the Senate which shows that the "Cotton price per pound is laborer's wage per hour." The first chart shows cotton selling at 10 cents; and when I refer to cotton, I mean cotton lint. It shows cottonseed selling for \$30 a ton, and when we reflect that there are 2,000 pounds in a ton, it means that the price is 1½ cents a pound.

The man who plants cotton makes a certain number of pounds per acre, and the figures for 1940, as furnished me by

the Director of Agricultural Statistics, show that in the 10-year period from 1918 to 1928 the average yield in the South was 162 pounds of lint cotton per acre.

Mr. BARKLEY. The chart says "cottonseed."

Mr. THOMAS of Oklahoma. That is a mistake of the draftsman. I had not seen the chart before it was brought into the Senate. One hundred and sixty-two pounds of cotton lint per acre is the average. If cotton sells for 10 cents a pound, 162 pounds makes the total return from the sale of the lint cotton \$16.20 an acre.

It is estimated that there is twice as much cottonseed as lint in an acre of cotton. So that if an acre produces 162 pounds of lint, it produces double that amount of seed, or 324 pounds. At 1½ cents a pound, which is the rate at \$30 a ton, the total yield from the seed in an acre of cotton is \$4.86. So the total average yield from an acre of cotton in the South, over the 10-year period to which I have referred, was \$21.06.

The expenses come out of that figure. I am talking about the man who produces the cotton. He is called a share cropper in some sections of the country. The landlord lets the share cropper come onto the land. He furnishes him a house, he furnishes him a garden, he furnishes a truck patch, he furnishes the seed, he furnishes the mule or the horse, he furnishes the plow, he furnishes the drill, he furnishes the hoe, he furnishes everything the sharecropper uses.

Mr. McKELLAR. Mr. President, will the Senator from Oklahoma yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. McKELLAR. The Senator is entirely correct in stating that the yield was 162 pounds of lint to the acre in the period to which he refers. Since that time, I think beginning about 1934, a limitation was placed on the number of acres which could be planted, and cotton land has been fertilized to a great extent, with the result that the average yield now, under the impetus given by the Government, is 205 pounds an acre. It has risen.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. TYDINGS. Did the Senator say that 205 pounds of cotton is the average amount produced per acre now?

Mr. McKELLAR. Yes.

Mr. TYDINGS. Will the Senator give us the return per acre on that amount?

Mr. THOMAS of Oklahoma. Mr. President, in order that the record may be complete I will say that the average return from an acre is 162 pounds of lint and 324 pounds of seed, making a total return of seed and cotton the sum of those two figures, which would be 486 pounds.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. RUSSELL. Of course, land which will produce one bale of cotton to the acre is most exceptional. If as much as two bales of cotton is ever produced to an acre of land, farmers will ride for

miles around to see such cotton land. It is practically a manure bed, and it costs so much that the expenses of production will eat up the increased production of the land.

I hope the Senator from Oklahoma will make clear also that, in addition to the low income he is now stressing, since the period of which he talks approximately 16,000,000 acres of cotton have been taken out of production, and production has been reduced to that extent. The average cotton farmer today, as I recall the figures—I am not sure I am correct—is only permitted to plant between 3 and 4 acres of cotton. He cannot plant simply as much as he pleases. He gets \$21.06 an acre, or whatever amount he may obtain for his crop, but there is a strict limitation placed on the acreage which he is entitled to plant; and my recollection is that the farmer throughout the South is permitted to plant between 3 and 4 acres of cotton.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. TYDINGS. Will the Senator give us the figures as developed by the Senator from Tennessee and himself as to the production of cotton as of more recent years?

Mr. THOMAS of Oklahoma. Production has been increased from 162 pounds of lint cotton per acre to 205 pounds per acre, with a corresponding increase in the amount of seed. The cotton boll represents one-third cotton lint and two-thirds seed.

Mr. TYDINGS. Taking the average price which the farmer has been getting for cotton and for seed in the last 5 or 6 or 7 years, how much would the figure in the right-hand column then be?

Mr. THOMAS of Oklahoma. I shall come to that in my discussion of another chart.

Mr. President, when we began to restrict the production of cotton, of course the farmers who could not plant all they wanted to, wanted to raise all the cotton they could on the land which was available to them. The administration measure did not limit the cotton planter to raising so many bales of cotton, or so many bushels of wheat, or so many bushels of corn. It placed so many acres at his disposal, and the farmer who had good soil to start with, through good cultivation and the use of fertilizer, intensified his cultivation, and did all he could to raise as much cotton as possible. For that reason the average has gone up from 162 pounds of lint cotton produced 20 years ago or 10 years ago, to more recently 205 pounds per acre.

Mr. President, all that has come from 1 acre of land in 1 year during the 10-year period is \$21.06.

Mr. O'DANIEL. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. O'DANIEL. In figuring the 205 pounds per acre is the actual acreage planted taken into consideration, or the actual acreage owned by the farmer, all of which he is not permitted to plant?

Mr. THOMAS of Oklahoma. The acreage planted is considered.

Mr. O'DANIEL. But he has all the other acres at his disposal, some of which are not planted.

Mr. THOMAS of Oklahoma. That is correct, but all a farmer gets from an acre is \$21.06.

I will now show the expenses. The ginning of 162 pounds of cotton on the average costs \$2. The cost of ginning runs from \$5 up to \$8 a bale. I have taken an average of \$6. One hundred and sixty-two pounds being approximately one-third of a bale, if it costs \$6 to gin a bale, it would cost \$2 to gin 162 pounds of cotton.

The next item is fertilizer. In some sections farmers must use fertilizer, and use it extensively. In some sections it is not necessary to use so much. But it costs, on the average, for fertilizer \$2.93 per acre. That statement comes from the Bureau of Agricultural Economics.

The next item is miscellaneous expenses, including poison. Farmers must use poison in the production of cotton. They must apply the poison at different times in order to kill the army worm, the boll weevil, and the other pests that infest cotton. The cost of poison runs up to about \$2 an acre. Other expenses—and these figures also come from the Bureau of Agricultural Economics—aggregate \$1.70, so the total of miscellaneous expenses amounts to \$3.70.

The total cost for ginning, fertilizer, and miscellaneous expenses, therefore, is \$7.73.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. McKELLAR. I wanted to ask the Senator if it is not true also that fertilizer is virtually a necessity in the greater part of the cotton lands of our country? For instance, what are known as uplands have to be fertilized in order to make anything at all out of the crop of cotton.

Mr. THOMAS of Oklahoma. The Senator is exactly correct. So the total expense, as I said, is \$7.73 per acre. That is the average expense per acre, and the figures, as I have said, are obtained from the Bureau of Agricultural Economics.

When the landlord takes the bale of cotton to market to sell it for the tenant, he cashes the check and takes out one-half of the expenses from the check. So, to find out how that figures out, we take \$7.73 from the \$21.06 and it leaves a net return from the sale of cotton from 1 acre of \$13.33. That is what is left after the expenses are paid. Then the landlord gets his one-half, or \$6.66. The laborer who produced the cotton gets his one-half, or \$6.66. Dividing \$6.66 by 85, the estimate of the number of man-hours it takes to produce an acre of cotton during the summer, we get the laborer's share, \$0.78 or less than 8 cents per hour.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. TYDINGS. I notice that, apparently, without including anything for taxes or insurance on the chart which the Senator has just explained, the landlord would receive \$6.66 an acre clear.

The only expenses against it would be taxes and insurance.

Mr. THOMAS of Oklahoma. Of course, the landlord pays the taxes and furnishes all the machinery. He feeds the horses and keeps the machinery in repair, unless the expense should be unusual, in which event he might tax part of it against the sharecropper.

Mr. TYDINGS. I was about to ask the Senator whether he can give us an idea what, if anything, the landlord would have left out of his half after the other expenses were paid.

Mr. THOMAS of Oklahoma. If the sharecropper, on the average, had 10 acres of cotton land, and if he had a net return of \$6.66 for 1 acre, he would receive a total return from the 10 acres, for the summer's crop, of \$66.60. He would have to pay his grocery bill, clothing bill, medical bill, hospital bill, and whatever other bills he might have.

Mr. TYDINGS. I was not referring to the sharecropper. I was referring to the landlord. What the sharecropper would receive is plain; but the landlord would have other expenses which the Senator has not shown.

Mr. THOMAS of Oklahoma. Yes. I am not speaking from the standpoint of the landlord. I am speaking from the standpoint of the man who works in the production of cotton, as distinguished from the men who work in industry and receive from 30 cents to \$2.25 an hour.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. McKELLAR. The Senator is talking about the man who labors in the field.

Mr. THOMAS of Oklahoma. He is the one about whom I am talking.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LUCAS. What is the average acreage of the crop grown by the sharecropper? How many acres would the average sharecropper take care of during the season?

Mr. THOMAS of Oklahoma. That depends, of course, upon the landlord. If he were a landlord with a vast acreage he might assign to the sharecropper as much as he could cultivate.

Mr. LUCAS. I appreciate that. I was wondering if the Senator had any figure as to the average.

Mr. THOMAS of Oklahoma. From 20 to 25 acres is a pretty good crop for a man and a mule. Raising cotton is pretty hard work. There are no regular hours.

Mr. LUCAS. All farming is pretty hard work. I was interested in knowing what the average sharecropper would receive, and what the average landlord would receive, on the basis of the figures on the Senator's chart.

Mr. THOMAS of Oklahoma. As I have just stated, if the sharecropper had a 10-acre crop he would have a total return for his summer's work of ten times \$6.66, which would be \$66.60. That would be the total return to the man for himself and his wife, if he had a wife, and his children, if he had children.

Mr. LUCAS. How do those folks live?

Mr. THOMAS of Oklahoma. They do not live. They merely exist. If the Senator could see the way they live I am sure he would be appalled. They live wherever they can. Many live in tents. Some of the landlords furnish as good houses as they can afford. In many instances there is no floor in the house. Often there is little, if any, furniture. There must be some. It depends, of course, upon the landlord, and upon the sharecropper's economic status when he moves on the farm.

The Senator from Georgia [Mr. Russell] is more familiar with this matter than am I. I should like to ask him how many acres of cotton a man and a mule can tend, on the average.

Mr. RUSSELL. That has varied considerably in recent years. The allotment system now in effect has brought down the average acreage planted to cotton from about forty million to twenty-six million acres.

Mr. THOMAS of Oklahoma. It has been reduced to 23 million. There was a reduction of one-third during the past year.

Mr. RUSSELL. That is correct. I was thinking of the average over a 5-year period. I should say that if a tenant could plant as much as 10 acres of cotton he would be very well off, indeed. It depends on the section of the country. In Texas and Oklahoma the average tenant cultivates a great deal more, and does not make as much per acre as he would make in the Mississippi Delta. In my State I should say that a 10-acre allotment for a tenant farmer or sharecropper would be a little larger than the average. I do not have the figures; but I know that 10 acres is considered a pretty good allotment to a 1-horse farmer.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. McKELLAR. I think the number of acres cultivated by the tenant farmer is larger, on the average, than 10 acres. I know of many farmers—as we speak of it, “a hand and a mule,” or a laborer and a mule—who can work about 20 acres of land.

Mr. THOMAS of Oklahoma. Mr. President, a moment ago I made the statement that if the pending bill should pass in its present form it would sentence the cotton laborers in the South to a permanent wage scale of 15 cents an hour during the time the law should remain on the statute books. Let me give the prices upon which I base that statement.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LUCAS. Fifteen cents an hour would be 8 cents more than they have been receiving, according to the chart which the Senator has presented.

Mr. THOMAS of Oklahoma. Yes; that is true, if that can be called an improvement.

Mr. LUCAS. It would be practically double what they have been receiving.

Mr. THOMAS of Oklahoma. That is true.

The bill fixes the base as of October 1 to October 15, 1941.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. For my own information, let me ask the Senator what type of land he is talking about. What is the market price of the land which produces the average amount of cotton of which the Senator speaks?

Mr. THOMAS of Oklahoma. The average is based upon some very productive irrigated land, which is worth \$200 to \$300 an acre, and perhaps more, as well as upon some very cheap land.

Mr. BARKLEY. In Georgia, Alabama, and Mississippi, which are typical Southern States, what would the land producing the amount of cotton which is the basis for the Senator's average be worth an acre?

Mr. THOMAS of Oklahoma. I cannot speak for the other States, but in my own State land which produces cotton on the basis of 162 pounds to the acre would sell at from \$15 to \$25 an acre—somewhere in that range.

Mr. President, the bill fixes the base as of the period from October 1 to October 15, 1941. The Administrator may say, “Congress gave me my orders. I must fix a ceiling on cotton and cotton products on the basis of the prices on October 1, 1941.” On that date cotton was selling for 17.11 cents a pound, or \$17.11 a hundred pounds.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BREWSTER. The Senator made the statement that on the basis of his figures the return to the sharecropper is 8 cents an hour. Does the Senator predicate that statement upon the Price Administrator not exceeding the limits mentioned in the bill?

Mr. THOMAS of Oklahoma. Mr. President, if prices should go up all along the line the parity price would go up, which would give the Administrator the right to raise the price of cotton, but he has a double ceiling. He has the ceiling of 110 percent of parity, and the ceiling represented by prices as of October 1, 1941.

Mr. BREWSTER. As I understand, that is not a ceiling, but is rather a floor. Is not that correct?

Mr. THOMAS of Oklahoma. I disagree with the Senator.

Mr. BREWSTER. Is not the language of the bill clear?

Mr. THOMAS of Oklahoma. No; I understand that he may not put the price above that ceiling.

Mr. BARKLEY. That is a mistake. He may not put it below that floor.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BROWN. The Senator from Maine has the matter clearly in mind. I have tried all along to point out that this limitation is a floor, and not a ceiling.

The Senator spoke about the bill being a consumers' bill. Of course, we are all consumers. The laborer on the farm,

about whom the Senator is talking, is a consumer. The bill is primarily intended to protect consumers; but in the first section of the bill will be found language which indicates that it is also a bill to encourage production. If it is necessary to raise the price of cotton and provide a higher ceiling, or a higher floor, if we want to put it that way, for the purpose of encouraging the production of cotton, as was said many times yesterday, not only with regard to cotton, but any other commodity, the Administrator may permit the price to go very much higher than 110 percent of parity, and very much higher than the October 1 standard laid down in the bill. Putting it concretely, he might permit the price to go to 30 cents, for example, if that were necessary to encourage production.

Mr. THOMAS of Oklahoma. Mr. President, I have been reading the hearings before the two committees, and I have reached the very definite conviction that the present Price Administrator is trying to keep prices down, rather than trying to get prices up. Does not the Senator agree with me in my contention?

Mr. BROWN. The Price Administrator is directed by the terms of the bill to maintain the relationships between prices as they were during the period from October 1 to October 15, 1941.

Mr. THOMAS of Oklahoma. Mr. President, that is what I think he will do; and that is what I think he will construe to be his duty if the bill passes in its present form. Believing that he will construe it to be his duty, I am against the limitation.

At some place in the hearings I have read that Mr. Henderson said or is quoted as saying that after this emergency is over we must go back to a low-price basis. Mr. President, I cannot agree with such a contention. At this moment we are still in deflation. Of course, that statement brings on the argument and question, What is deflation? On this floor 10 years ago we debated the question of deflation, and we all agreed that we had deflation, that prices were too low, and that the buying power of the dollar was too high; and in numerous bills we took steps to increase prices. We authorized the plowing up of cotton so as to make cotton scarce and make the price high. We authorized the plowing up of wheat so as to make wheat scarce and its price high. We did not authorize the killing of pigs, but pigs were killed to make pigs scarce, to make the price of bacon high. If we were in deflation then, when did deflation end? Has it ended yet? Has inflation begun as yet?

I pause for reply. Does any Senator think that inflation has yet begun?

I have read the hearings; and, so far as I can recall, the witnesses all say that inflation has not yet begun but that it is coming and that we should be ready for it.

That is my viewpoint. Inflation is coming; and I am willing to go along and to provide certain curbs, if that can be done in a proper way. I follow the principle set down by the Senator from Georgia, as I shall explain a little later.

It is my contention that America is still in deflation. Does any Senator say

that prices are now too high? I pause for reply.

Mr. BROWN. Mr. President, will the Senator yield to me?

Mr. THOMAS of Oklahoma. I yield.

Mr. BROWN. I decline to be bound by statements which the Senator makes from time to time in asking for an immediate reply to all the theories he is expounding at the present time; and I desire to serve notice that my failure to rise every time he asks a question upon that subject is by no means an assent to the argument or the statement he is making.

Mr. THOMAS of Oklahoma. I thought perhaps some Senator would be willing to rise and say that prices are now too high, or that the price of a particular commodity is too high. Does any Senator know of the price of anything that is too high today? I pause for reply.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield to the Senator from Kentucky.

Mr. BARKLEY. I do not think that the prices of farm products are now too high. Of course, it is easy to ask a mass question, and to say, "If any Senator wishes to dispute it, let him rise." I do not think that any Senator who does not rise under those circumstances necessarily should be bound by the implication that he agrees to everything that is said. But I should at least say that prices are not in deflation as compared to what they were in 1939.

Mr. THOMAS of Oklahoma. I agree 100 percent with that statement.

Mr. BARKLEY. I have before me a table which shows what has happened to farm prices, and still I do not think they are too high. Using August 1939—immediately before the war—as a basis of 100 percent, by May 1940 farm prices had gone up to 111 percent; by March 1941 they had gone up to 117 percent; by November 1941 they had gone up to 153 percent; and by December 1941 they had gone up to 172 percent.

Mr. THOMAS of Oklahoma. Mr. President, those figures are based on the low-price level that existed when we started our antideflationary program.

Mr. BARKLEY. No; not at all. The figures are based on August 1939, and not on the deflationary period from 1929 up to 1935 and 1936. I am not even by inference suggesting that at 172 the prices are too high; but the Senator cannot claim that there is deflation when prices have gone up 72 percent since August 1939.

Mr. THOMAS of Oklahoma. I admit that prices have been rising—much to my gratification.

Mr. BARKLEY. And mine also.

Mr. THOMAS of Oklahoma. I have been arguing for 15 years upon this floor for the very thing that now is happening.

Mr. BARKLEY. I thought the Senator said that farm prices are still being deflated.

Mr. THOMAS of Oklahoma. No; I did not intend to say that.

Mr. BARKLEY. Then, I misunderstood the Senator.

Mr. THOMAS of Oklahoma. I said we are still in deflation.

Mr. BARKLEY. We are still in deflation as compared with the prices of 1920, which were prices following the first World War.

Mr. THOMAS of Oklahoma. I agree with the Senator. If we were in deflation in 1932 and 1933, when did we get out of deflation, and when did we enter a period of stability—which would be a neutral period—or when did we enter inflation? I contend that we are now in deflation, and will remain there until the price level reaches 100. It has not yet reached that point.

Mr. HOLMAN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. HOLMAN. In support of the statement the Senator made about our still being in deflation, I remark that the purchasing power of the dollar, as determined by the Bureau of Labor Statistics in a comparison of the prices of over a thousand articles in daily commerce, is, according to the latest report I have received and which came to me during last week, \$1.064.

Mr. THOMAS of Oklahoma. I have the figures before me. Today the dollar has a buying power of \$1.06, as determined on the basis of the prices of over 900 commodities. Today a farmer has to raise commodities—corn, wheat, cotton, pigs, calves, milk—on the average to the extent of \$1.06 in order to get a dollar. That means that the price level as of January 3, 3 or 4 days ago, was up only to 94.3.

So at this moment prices are below 100, if the 1926 basis is to be followed, and they must go up 5.7 points before we get to the point where deflation ends and inflation begins.

So I contend that we are now still in deflation. I contend that the bill, if enacted in its present form, would sentence the farmers of America to a period of deflation to that extent, until the legislation is repealed.

Mr. President, I shall go further, and show what I meant a while ago when I said that, in my opinion, the bill, if enacted into law, would sentence the laborers of 11 States to a wage scale of 15½ cents an hour during the time the bill remains on the statute books.

On the 1st of October, cotton sold for 17.11 cents a pound.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. TYDINGS. As I understood the Senator from Tennessee—and I assume that the Senator from Oklahoma agreed with the statement—his statement was that the figures of 162 pounds an acre and 324 pounds an acre had gone up to 205 pounds an acre and 410 pounds an acre, respectively. I was wondering what would be the cash return, as of the present market prices, with those changes.

Mr. THOMAS of Oklahoma. If the Senator will take his pencil and multiply the figure of 205 pounds an acre by the figure for the present price of cotton—

Mr. TYDINGS. What is the present price of cotton?

Mr. THOMAS of Oklahoma. On the 1st of October cotton sold for 17.11 cents a pound. On the basis of a yield of 162 pounds an acre, the total return an acre would be \$27.72.

Mr. TYDINGS. I wanted to ascertain the return on the basis of a production of 205 pounds an acre.

Mr. THOMAS of Oklahoma. If the Senator will substitute the figure 205 for the figure 162, and will make the same computation, he will obtain the comparable figure.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LUCAS. A moment ago the Senator spoke about the country being in a deflationary period at the present time. Assuming that the prices of cotton, corn, wheat, and other products of agriculture rise to the point established in the bill—110 percent of parity—under those circumstances would we still be in a deflationary period?

Mr. THOMAS of Oklahoma. From my interpretation and from the information I am using, I believe that when prices reach an average of 100 we shall be out of deflation. If we can keep out of deflation, as I understand the Senator from Georgia would like to have done, and if then we can also keep out of inflation, we shall be in a neutral condition, balanced between deflation, on the one hand with lower prices, and, on the other hand, inflation, with higher prices. We shall stabilize at 100 if that can be done; and then we shall not be in either inflation or deflation, from the standpoint I am trying to present to the Senate.

Mr. LUCAS. If we reach a hundred percent of parity, which would stabilize inflation and deflation, as I follow the Senator, it might never be necessary for the Price Administrator to invoke price control.

Mr. THOMAS of Oklahoma. That is possible.

Mr. LUCAS. Then, I cannot quite follow the Senator's theory with respect to how this bill would do what he says in the event that the Administrator should never exercise his authority.

Mr. THOMAS of Oklahoma. It is my interpretation that if the Price Administrator shall say, "The price level of October 1 is the order I have from Congress; I must stabilize the price at that figure; I must freeze the price at that figure." That price is not up to parity, but he has a double-barreled proposition. He can take either 110 percent of parity or the October 1, 1941, figure.

Mr. BROWN. Mr. President, I must say to the Senator that the Administrator must take the higher of those two figures; he has no choice between the two. If 110 percent of parity is the higher, he must take 110 percent of parity; if the October 1, 1941, market price is the higher floor, he must take that before he can operate on agricultural prices.

Mr. THOMAS of Oklahoma. Very well, Mr. President—

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. I am not sure that I can follow the statement made by the Senator from Illinois and the Senator from Michigan in response to what the Senator from Oklahoma has said. Section 3 (a) as reported by the committee specifically says:

Sec. 3. (a) No maximum price shall be established for any agricultural commodity below (1) the market price equivalent to 110 percent of the parity price or comparable price for such commodity, adjusted for grade, location, and seasonal differentials, as determined and published by the Secretary of Agriculture; or (2) the market price prevailing for such commodity on October 1, 1941.

That being the case, the Senator from Oklahoma is absolutely right. The Price Administrator can take either one, and if he decides that he wants to take the lower of the two, there is nothing in the bill to prevent his doing so. If there were included the phrase "whichever is the higher," then, the interpretation of the Senator from Michigan and the Senator from Illinois would be correct; but, since that phrase does not appear, the Senator from Oklahoma is absolutely correct.

Mr. LUCAS. Mr. President, will the Senator from Oklahoma yield to me?

Mr. THOMAS of Oklahoma. I yield to the Senator from Illinois.

Mr. LUCAS. I have read the language of the paragraph, and I certainly want it understood in the way the Senator from Wyoming has expressed it. I have not read the hearings. But my interpretation of that language was in line with what the able Senator from Michigan [Mr. BROWN] has said. In other words—and I hope the Senator from Michigan will listen to this, because it is a very crucial point in this program—if the Price Administrator fixes a price upon either basic commodities or any other commodities, it must be 110 percent of parity, unless the market price of the product is above parity, and then he has a right to fix it at that price.

Mr. BROWN. The Senator's interpretation is exactly in accord with my own and that of every other member of the committee, and with the report of the committee as found on page 13.

I should like to say to the Senator from Wyoming that I think the language is as plain as language can be, and that the price fixed cannot be below either of the limitations provided. There is no choice between the limitations. The Administrator is bound by the higher limitation that is fixed by the language of the statute that "no maximum price shall be established for any agricultural commodity below the market price equivalent to 110 percent of the parity price" or below "the market price prevailing for such commodity on October 1, 1941."

If Senators feel that the words "whichever is the higher" should be used, I have no objection to that, but I think the language is very plain.

Mr. THOMAS of Oklahoma. I wonder why the limitation of October 1, 1941, is placed in the bill if it is not to serve any useful purpose?

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield to the Senator from Kentucky.

Mr. BARKLEY. If the language was such that the Administrator could make a choice as between 110 percent and the price prevailing on October 1, then he would have the right to select either, but the language is a limitation on his power.

No maximum price shall be established for any agricultural commodity below (1) the market price equivalent to 110 percent * * * ; or (2) the market price prevailing on October 1, 1941.

In other words, the Administrator cannot fix a maximum price below either of those two standards, and whichever the higher is, he cannot go below that. That is the effect of it.

Mr. O'MAHONEY. Mr. President, will the Senator from Oklahoma yield to me?

Mr. THOMAS of Oklahoma. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. If the provision contained the word "either," which the Senator from Kentucky has just now used, there would be no dispute, but the word "either" does not appear there.

Mr. BARKLEY. But the word "or" following the language preceding means that.

Mr. O'MAHONEY. No. Let me give the Senator a specific example. Suppose this language should read as follows:

No maximum price shall be established for any agricultural commodity below 50 or 40.

Obviously it would be possible under that language for the Administrator to put the price at 40, because then he would not be below one of the two standards. If the committee desires to have the bill do what the Senator from Michigan says this language does and what the Senator from Kentucky just now claims for it, it can be simply cured by inserting the word "either" or inserting the phrase "whichever is the higher"; and certainly nothing would thereby be lost from the viewpoint of the committee.

Mr. BARKLEY. Personally, I have no objection to any language that will clarify it, but I do not think the use of the figures 40 and 50 is quite analogous to this situation.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield to the Senator from Illinois.

Mr. LUCAS. I wish to ask the Senator from Michigan whether the hearing disclosed that any of the basic commodities or by the byproducts thereof showed on October 1 a price above what we call parity?

Mr. BROWN. Yes.

Mr. LUCAS. Is not that the real reason for inserting limitation No. 2 in the bill? In other words, there are certain products selling on the market for above parity, and, rather than penalize any one, the committee saw fit to insert in the bill the provision as to the market price, a price which may be above parity; so that the Price Administrator may not fix a price for those products whose ceiling was above parity on October 1 at a lower figure.

Mr. BROWN. I can bear out the Senator's statement by actual figures. One hundred and ten percent of parity is higher in the case of these important

commodities: Wheat, corn, cotton, hogs, and butterfats. The October 1, 1941, limitation is higher in the case of cottonseed, as to which the difference is that between \$35 a ton and \$50 a ton; and the October 1 limitation is higher in the case of beef cattle, where the difference is that between \$8.25 and \$9.27; and on veal calves, where the difference is that between \$10.69 and \$11.20.

In our report, so that there may be no question whatever in the mind of any person, we say this:

We therefore recommend that the powers of the Administrator be limited in this respect—

That is, respecting the price of agricultural products below which he may not go—

in that no maximum price shall be established for any agricultural commodity below (1) the market price equivalent to 110 percent of the parity price of that commodity, or (2) the price of that commodity on October 1, 1941. These are floors below which maximum prices may not be fixed. They are not ceilings. The Administrator may thus establish maximum prices for agricultural commodities above the higher of the market prices therefor specified in the bill.

Because it is the intent of everybody concerned with this subject matter, I have not the slightest objection to saying here that the meaning and intent of section 3 is that the Administrator is bound by whichever is the higher of these limitations.

Mr. THOMAS of Oklahoma. That statement must go in the bill if that is the intention. It is not in the bill now, as I interpret it.

The statement was made yesterday that farm prices now are approximately at parity. Was not that statement made?

Mr. BROWN. I said they were 99 percent of parity.

Mr. THOMAS of Oklahoma. That is approximately parity.

Mr. President, I shall place certain facts in the Record and then I shall come back to my chart.

On the 15th of December, 2 weeks ago, the farmers were receiving \$1.022 for their wheat. I am reading from the Agricultural report. The parity price at that time was \$1.272.

The farmers were receiving for their corn at that time, December 15, 66.9 cents per bushel. The parity price on that date was 92.41 cents.

They were receiving for their oats at that time 45.2 cents per bushel. The parity price was 57.5 cents.

I will pick out some items which are more common.

For cotton, for example, the farmers were receiving on December 15, 1941, 16.23 cents per pound. The parity price on that date was 17.86 cents per pound, more than \$5 a bale less than parity.

There are only a few commodities which are now at parity. While I am on that point, I might just as well place them in the Record. I am still quoting from the statistics of the Bureau of Agricultural Economics of the Agricultural Department, which is charged with preparing statistics. November 29 is the date of the last copy I have. They divide

farm commodities by groups, and divide industrial commodities by groups. At that time, November 29, 1941, the all-commodity index was 92.3.

Mr. BROWN. Mr. President, will the Senator yield at that point?

Mr. THOMAS of Oklahoma. Yes.

Mr. BROWN. I do not think there ought to be any dispute between the Senator and me as to the facts. I have exactly the same document, I think, that he has. He has read the commodities which on December 15, 1941, were below parity. I was reliably informed by witnesses at the hearings that on or about December 10 we were about 94 percent of parity, and in the period from that time up to yesterday, when I made my statement, the figures have come up about 5 points, to 99 percent of parity. But since the Senator has read the products which are below parity, I shall read a few that were above parity as of December 15:

Rice, 122 percent of parity.

Cottonseed, 137 percent of parity.

Beef cattle, 125 percent of parity.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. O'MAHONEY. When the Senator refers to beef cattle it naturally brings me to my feet because again it must be emphasized that the parity price for beef cattle—for livestock—is an extraordinarily low price.

Mr. BROWN. That is not the first time I have heard the Senator say that.

Mr. O'MAHONEY. The Senator agrees with the statement, I am sure. Of course, in selecting an arbitrary base period, 1910 to 1914, it was inevitable that in the cases of some commodities the prices should be unusually low. The facts are that livestock prices and wool prices during that period, 1910 to 1914, were extraordinarily low. The producers at that time were operating at a loss, so that 100 percent of parity or 110 percent of parity does no justice to the producers of those commodities.

Mr. BROWN. I was about to say that wool was 140.5 percent of parity; but since the Senator has mentioned that subject, I shall not mention it.

Mr. THOMAS of Oklahoma. Mr. President, I shall finish with the chart that I am now exhibiting to the Senate. I shall give now the figures as to what the laborer will receive for his labor when cotton is selling for the price fixed in the bill.

The price of cotton on October 1, 1941, was 17.11 cents per pound; 162 pounds at 17.11 cents per pound makes a total return for the lint cotton of \$27.71; 324 pounds of seed at \$40 per ton makes the total return for cottonseed \$6.48. I am not now referring to the chart before the Senate. I am reading from a slip which contains some figures as to the present price of cotton, where I think it will be frozen if the bill passes in its present form. So under the bill the Administrator, in my judgment, may freeze the price of cotton as of the date of October 1, 1941. At that time cotton was selling for 17 cents plus—a total return of \$34.19 per acre.

Mr. BROWN. Mr. President, I say that the lowest figure that the Administrator could establish would be \$19.65, which is about 2 cents above the present price.

Mr. THOMAS of Oklahoma. At a later time we shall try to get an amendment to the text to effectuate that understanding. That is not my understanding of the reading of the text of the bill as it is now written.

If the return per acre, as I have indicated, is \$34.19, then the expenses per acre—ginning \$2, fertilizer \$2.03, miscellaneous \$3.70—make a total of \$7.73, which, taken from the total return of \$34.19, leaves a net of \$26.46. Of that sum, the landlord gets one-half, in the sum of \$13.23, and the laborer gets one-half, in a like sum of \$13.23. Then if it takes 85 hours of human labor to produce an acre of cotton, we divide the total return that the laborer receives from his acre by 85, and we find that the laborer who grew the cotton made the magnificent sum of 15½ cents per hour during the 85 hours that it took him to produce that acre of cotton.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield to the Senator from Georgia.

Mr. RUSSELL. There was some controversy a few moments ago as to the approximate average allotment per farm family producing cotton. I stated that, in my opinion, in my own State 10 acres was larger than the average allotment; so that an authentic statement may appear in the Record, I went to the telephone and called the Agricultural Adjustment Administration, and I find that the average per farm family of the entire Cotton Belt is slightly less than 10 acres allotment for each farm family. Of course in the Southeastern States, such as Georgia and South Carolina and Alabama, it is considerably less than that, because the average acreage cultivated per farm family in Texas and the Western States is considerably larger than the acreage cultivated in the Southeastern States.

Mr. THOMAS of Oklahoma. I thank the Senator for his contribution.

Mr. BILBO. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield to the Senator from Mississippi.

Mr. BILBO. In confirmation of the Senator's statement, if I may be pardoned a personal reference, I have in cultivation 855 acres, with an allotment of only 125 acres of cotton, and 20 tenants, which gives them about 6 acres apiece.

Mr. THOMAS of Oklahoma. Mr. President, I said a little while ago that when cotton sells for 20 cents a pound, and seed sells for \$40 a ton, the cotton laborer gets the sum of 18.3 cents per hour for his work.

That is made up from the following figures. One hundred and sixty-two pounds at 20 cents a pound make a total of \$32.40. Three hundred and twenty-four pounds of seed at the rate of \$40 a ton, or 2 cents a pound, would be \$6.48, or a total return of \$38.88 for the entire acre.

Using the same expenses I have heretofore employed, cost of ginning is no

more for a bale of cotton when it is selling for \$100 a bale than when it is selling for \$25 a bale. It costs the same amount to gin a \$200 bale of cotton as a \$100 bale. So the cost of ginning is the same, the cost of fertilizer is the same, and the cost of the poison needed is the same. Some years more poison is needed than in other years. The average expense is \$7.73.

Subtracting the expenses from the total returns, we find that the net return is \$31.15. The landlord gets one-half, or \$15.77, and the laborer gets one-half, or \$15.77. Divide the laborer's share by 85, the number of man-hours to produce the cotton, and the result is 18.3 cents an hour.

There is the same ratio right on through. It is immaterial what the cotton sells for. It can sell for 50 cents a pound, and the laboring man gets only 50 cents an hour for his work. The formula is universally correct. With lower prices, he does not make as much as when the cotton sells for a higher price. With higher prices, 35, 40, 45 cents, the return is practically the same. So, if cotton should sell for 50 cents a pound, as it has not done in my time, the man who grows cotton should receive 50 cents an hour.

Now I wish to call the attention of Senators to parity. The bill refers to parity. We have been dealing with parity for 10 years. I think it was first referred to in the law of 1933. Parity was not mentioned then specifically, but the base period was mentioned, and the base period was fixed in the law of 1933 as the years 1919 to 1929.

There was no parity figure at that time. In the law of 1938 we undertook to define parity, and authorized the Department of Agriculture to work out parity prices on farm commodities, and in that law we changed the base period from 1919-29 to 1909-14, putting it back some 10 years. I wonder why that change was made. It was not made as to tobacco; it was not made as to potatoes; but as to cotton and wheat and corn the base period was thrown back from 1919-29 to 1909-14.

In the year 1909 the dollar had a value of \$1.479, and the price level was 67.6 cents, a very low figure.

In 1910 the dollar had a value, according to the yardstick with which we used to measure the dollar value, of \$1.42, and the price level was 70.4 cents.

In 1911 the dollar had a value of \$1.541, and the price level was 64.9 cents.

In 1912 the dollar had a value of \$1.447, and the price level was 69.1 cents.

In 1913 the dollar had a value of \$1.433, and the index number was 69.8.

The dollar had a value of \$1.468 in 1914, and the price level was 68.1 cents.

In other words, the average value of the dollar in that period was \$1.464, and the average price level was 68.3.

I do not know why the base period was shoved back to 1909-14, unless the price level in 1919-29 was too high. It was shoved back, and the price level was reduced from about 100 to 68, 32 points below 100, and we are now operating on a price level, as a base, of 68.3.

I am against that base period, Mr. President. If that is a good base period for cotton, why is it not good for tobacco? Someone said, "No, it will not do

for tobacco. That is too low for tobacco." If that is a good price level for wheat, why is it not a good price level for potatoes? Someone must have said, "No, the level of 1919-29 is too high for wheat, corn, cotton, and other things. We will put the base period for everything save potatoes and tobacco back to 1909-14." So the level is down 32 points. In order that the present Administrator—and I am referring to the Administrator in the Department of Agriculture—may get prices up to what he says is parity, he has to multiply his base price, the average for any commodity, the average of 1909-14, by 143 percent. That means that the things the farmer has to buy now are 43 percent higher in price than they were in the base period of 1909-14. Yet there is a desire that that base period be retained.

A bill proposing to change the base period from 1909-14 to 1919-29 was introduced in Congress. The committee to which it was referred sent it to the appropriate department, and the Secretary of Agriculture reported adversely on the bill. He does not want the change. He wants to retain the low price level as his base, and he must multiply that low base by 143 percent in order to get prices up to what he says is parity.

The pending bill mentions parity four times in the agricultural section. I wonder if Senators know how we arrive at parity. Does any Senator know how we get the figure of 16 cents plus, as the parity price for cotton? Does any Senator know how we get the figure of \$1.23 as the present parity price of wheat? Does anyone know how we get the figure of the present parity price for corn? If any Senator knows, I will pause for him to make a statement for the RECORD. The committee did not ascertain it after 3 months of hearings. Gentlemen came before our subcommittee who tried to explain it to us. The formula is not a written one; it is not in writing anywhere, so far as I know. It is not in the statute. The statute does provide that the Department of Agriculture must take the base period 1909-14. Then it provides that the Department of Agriculture must work out parity prices, giving to the various commodities the same buying power today which they had in the base period 1909-14. That means that the man who raises cotton today should have enough money from his pound of cotton to buy as much of comparable goods as he could have bought back in the base period of 1909-14. But is there a Senator present who can make a statement for the RECORD as to how we arrive at the parity price? If there is one, I yield for him to make a statement. As I have said, the pending bill refers to parity four times, and the statute books are full of references to parity. Yet there is no place in any law where parity is defined.

Mr. President, I can state how it is determined. Let us take cotton, for illustration. The Department of Agriculture takes all grades of cotton. How many Senators know the number of grades of cotton? Is there 1 grade of cotton, are there 2 grades, are there 3 grades? There are 130 grades of cotton. That figure may be slightly high, there may

be only 128, but there are approximately 130 grades of cotton, and they cover every conceivable kind of cotton.

The Department of Agriculture is presumed to have gotten the price of a certain quantity of each of those 128 or 130 grades of cotton on each day during each of the base years and averaged the price daily, averaged the price of all the grades monthly, and averaged the price yearly, then averaged it for the 6 years. The average price of all the grades of cotton during that 6-year period is the average or base price of cotton as now figured by the Bureau of Agricultural Economics. What is that base price? Does anyone know? It is 12 cents plus.

I have before me a letter from the Bureau of Agricultural Economics dated November 4, 1941, signed by Mr. F. L. Thomsen, principal agricultural economist of the Division of Statistical and Historical Research. In it he says that the average price of cotton during that 6-year period, of all grades of cotton, 128 or 130 of them, was 12.4 cents a pound. That is the base price per pound for cotton. That is the average price of all the grades, all the colors, all the lengths and staples, all the kinds of cotton sold in that base period. That is the average price, and the average price is the base price.

That is not the parity price. The parity price now is about 17.83 cents. How is that figure obtained? We have the base price figured out. I will state how the figure is obtained. There is no law for it; we have nothing except the statement of a concept or a principle. The Department of Agriculture has made up its own index. It has made up an index of approximately 300 commodities. The Bureau of Labor Statistics' index is made up of 900 commodities, but the Department of Agriculture says the farmer does not buy all those 900 commodities, and that it would not be proper to include all 900 commodities in an index applying to him. The Department figures out that the farmer could at the most buy 267 commodities. So in making the index figure, 267 commodities are considered.

Then the Department takes the price of each of those commodities, and adds the prices of the total number of commodities, and divides that grand total by 267, and that is the average, that is its index number. Then by multiplying the base or average price of 12.4 cents by the average of all those commodity prices it gets the parity price. That is the way the Department of Agriculture arrives at the present parity price.

Mr. President, I am not objecting to that formula. The law provides for its use, and I cannot criticize anyone for using it. I rather compliment those who have used it, because they have done a good job. They must follow the law and must go back to 1909-14, which is the base period.

Mr. BONE. Mr. President—
The PRESIDING OFFICER (Mr. MILLIKIN in the chair). Does the Senator from Oklahoma yield to the Senator from Washington?

Mr. THOMAS of Oklahoma. I yield.
Mr. BONE. I assume the theory is that if cotton were sold for 12 cents a

pound, let us say, during the base period, and that the 12 cents realized from the sale of a pound of cotton would buy a certain amount of commodities, then the price at which cotton sells today should be at that point at which it can purchase an exact or equivalent amount of commodities at this time, and thus the parity price of cotton would be established?

Mr. THOMAS of Oklahoma. That is the parity concept. The Senator is entirely correct. My objection to the formula is not that it is not fair. My objection is that it goes back too far. There are now a great many commodities which did not exist during that base period. Who heard of nylon in the period 1909 to 1914?

Mr. BONE. Mr. President, in the whole economic pattern which we have woven for ourselves in recent years, can it be said justly that we can pick out any segment of time and use it as a basis? I am curious about it, because there are so many arbitrarinesses in law. It is necessary to pick out certain standards of human conduct and set up certain human relationships. What segment of time should we select as a basis for computation?

Mr. THOMAS of Oklahoma. The Senator has put his finger on the issue in this case. I am against the base period of 1909-14, because it goes back too far. I am against it because the price level during that period was too low. The dollar then had too high a buying power. That was in the horse-and-buggy days.

Mr. BONE. Does the Senator think that technological changes of necessity should be considered in connection with the great transition which has come about? Are they not vitally important factors in trying to achieve a fair basis of prices? I should be constrained to believe so myself, but I was wondering what the Senator thinks.

Mr. THOMAS of Oklahoma. Mr. President, I would bring the base period up to as near the present as is possible. The reason I would not take the last 10 years is that the last 10-year period has been one of unnatural control and of subsidized economy. Conditions have not been natural in the last 10 years.

Mr. BONE. In what are sometimes called the roaring twenties, the lush twenties up to the crash in 1929, a somewhat unnatural economic condition confronted us. It is a very confusing pattern, and I wonder what segment of time we should select.

Mr. THOMAS of Oklahoma. Mr. President, I should end the 10-year period comprising the twenties on the 1st day of July 1929. The crash came in October 1929. I should take the 10 years prior to the beginning of that fiscal year, which was the 1st day of July 1929. That period reaches back to July 1, 1919. So I take the last 10-year period of free economy, when the people could do what they pleased; when they could plant all the cotton they cared to plant; when they could sow all the wheat they wanted to sow; when they could do what they wanted to do unhampered and unrestricted. That was the last 10-year period with a free economy we have had

in this country. So I suggest to the Senator that we change the base period from 1909-14 to the period beginning July 1, 1919, and ending June 30, 1929, the last 10-year period of free economy.

I do that for this reason. At the beginning of that period some very strong and able men were in control of our finances. This group was controlled and dominated, as I believe, by Governor Strong of the Federal Reserve Bank of New York City. Governor Strong—and the country I think supported him—was of the opinion that we had inflation at the beginning of that period; that prices were too high. There was a general demand that prices be reduced, that the high cost of living be brought down. I think that demand was shared in by everyone. People did not like to pay the high prices they were obliged to pay for goods. They had to pay \$10 or \$12 for shirts, and comparable prices for other commodities. So there seemed to be a general demand that the high cost of living be reduced. Everything is measured by dollars. Governor Strong, understanding, I think, about all that the human mind could understand, proceeded to do the job. It is not necessary for me to relate all he did. He reduced the buying power of the dollar down to the point where he thought it ought to be—100 cents in terms of property.

He did that, beginning with the 4th of March 1921, and during the next 18 months, to the fall of 1922. Then so long as he lived he kept the dollar value approximately at 100 and kept the price level at approximately 100. The price level fluctuated 1 or 2 points a year, or perhaps sometimes 3 points, but when it began to go up he went to work to get it down. When the price level began to fall he went to work to get it up again. So long as Governor Strong lived, until 1908, he maintained the price level at 100 and the dollar value at 100.

Mr. President, I take that period as the best period I can find in our history. It was the period when we thought we were having fairly good times. It was the period which some people claimed ought to be denominated as the Coolidge era of prosperity. That was the period when we paid the expenses of government and in addition paid off \$1,000,000,000 a year of our war debt.

From the end of the war until 1929 we paid off \$1,000,000,000 a year. In 10 years we paid off \$10,000,000,000 of our indebtedness under that program. During that period, prices were at the level of 100. They were 6 or 7 points higher than they are now. If a price level of 100 back in the Coolidge administration, the latter part of the Harding administration, and the first few months of the Hoover administration enabled the country to pay off \$1,000,000,000 a year on the public debt, I think there are prospects that if we should return to that period and do other things we might do, we might again look forward to the time when we can begin to reduce our war debts.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BROWN. The Senator realizes that the period to which he has just referred, a period of rising prices, culminated in 1929 in the highest prices that had ever been inflicted upon the American consuming public, which means all of us, producers as well as consumers. That period was followed by the most disastrous collapse in the peacetime history of the United States. I can think of no 10-year period in our history which would be more unfortunate to adopt as the economic standard by which we should guide ourselves in the administration of the proposed law than the period from 1920 to 1930.

Mr. THOMAS of Oklahoma. I am glad to have the statement of the distinguished Senator from Michigan. Let me ask him a question. Does he think that the present price level is about right? Is it too high, about right, or too low?

Mr. BROWN. I am inclined to think that the figures which are based upon the 1909-14 relationship, to use the word in its exact meaning, based upon parity and the relationship between prices as they were from 1909 to 1914, giving consideration to the general rise and the substantial increase in parity prices, make the standard of 110 percent of parity which is adopted in the bill a fair and reasonable basis for the determination and limitation of prices. I think it is as fair a basis as we can find.

To answer the Senator's question directly, I have no doubt that we might pick out many items in the present level of prices which are unfair and out of line. I assume that most producers think that they do not receive enough for their products. But looking at the matter in a large way, in an over-all view, based upon my reading of the testimony before the House committee and my attendance at the hearings before the Senate committee, I think that the present price level, which, as I have said, is about 99 percent of parity, is fairly reasonable, and that the October 1-15 base which we use in the bill for the general level of prices, or the relationship between prices, is reasonably fair.

As we produce more goods, undoubtedly prices will increase. I agree with the Senator from Ohio [Mr. TAFT] when he says that the increase should probably run from 10 to 15 percent a year. I think such an increase is unavoidable and fair. But what we are trying to do in the bill is to maintain a fair and reasonable relationship between prices, which means a relationship between the returns which the various economic groups in the United States receive.

So I answer the Senator's question by saying that prices somewhere between 95 or 100 percent, where they are today, and 110 percent of parity, and the prices which parity indicates, are reasonable and fair.

Mr. THOMAS of Oklahoma. The Senator and I do not disagree on the end we are all seeking to attain, and that is to maintain a fair relationship between the various groups of commodities. I share the viewpoint expressed by the Senator from Georgia that a price-control bill which takes into consideration only a few

groups would not prove satisfactory in the end.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. Before I yield, let me reply further to the Senator from Michigan.

I understood the Senator to say that the base period of 1909 to 1914 is about right.

Mr. BROWN. For a relationship between prices.

Mr. THOMAS of Oklahoma. Mr. President, during those years the base price for wheat was 88.4 cents a bushel. The base or average price for corn was 64.2 cents a bushel. The average or base price for cotton was 12.4 cents a pound. I am wondering if any Senator believes that we could ever balance the Budget and begin to pay on our expanding war debt on that sort of a price level. We have had it for the past 10 years, until recently. Did we begin to balance our Budget? No. Instead of our beginning to pay our debts, the debts mounted annually.

It is my contention that we can never balance the Budget on the present prices. For that reason, I am not averse to seeing slightly higher prices than we have today. I want them to go up to 100. They are now only at 94. I want to see wheat sell for \$1.50 a bushel. I have said that a dozen times on the floor. I want to see cotton sell at from 20 to 25 cents a pound, and other prices in proportion. Such prices would not raise the price of bread, or the price of cotton cloth, but they would enable the people of the country who produce those raw materials to pay expenses and perhaps have a little money to spend, not only for the necessities, but for the better things of life.

I now yield to the Senator from Wyoming.

Mr. O'MAHONEY. The Senator has been talking about the deflationary policies of Governor Strong, of the Federal Reserve Board. Does he not agree that the policy which was called, as I remember, the "program of courageous deflation" in 1921 was felt most heavily by the agricultural population, and that the brunt of the deflation fell upon agricultural commodities, and the West generally?

Mr. THOMAS of Oklahoma. And especially upon the livestock producers. The Senator is eminently correct. In reducing the price level, the prices which were reduced were reduced mainly because of the influences brought to bear by Governor Strong, acting through the Federal Reserve Board and the banks. The banks refused to make additional loans. They began to call the loans then outstanding, which forced people who had goods to sell them. The man who had wheat in the granary, and whose loan was called, had to sell and take what he could get. If a man had cotton in a warehouse and his loan was called he had to sell and take what he could get. Everybody had to raise money to meet his obligations. That caused a general selling campaign, which brought prices down.

When Governor Strong got prices where he thought they ought to be—and

I am not complaining—they were stabilized during an 8-year period. During that 8-year period we had what many persons term the era of Coolidge prosperity. It was an era when we balanced the Budget. We not only balanced the Budget, but we paid off \$1,000,000,000 of our indebtedness annually.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHEELER. I entirely agree with what the Senator has said with reference to the situation which existed when Governor Strong called the loans and caused what is known as the panic of 1922. It hit the farm population of the West. The general collapse of all the banks in the far West finally caught up with the Middle West.

I thoroughly agree with the Senator that if we are to keep prices too low—and there is fear at the present time that they will become too high—we shall not be able to balance the Budget. That seems perfectly apparent to me. The reason why we paid off \$1,000,000,000 a year on our indebtedness during the period referred to was that we had good prices during that particular period. We could probably have paid off more of the debt than we did during that period of time. Many persons in the country at that time felt that we were paying it off too fast. They felt that we should maintain it where it was. But I should like to hear the Senator's answer, if he has one, to what was said about the cause of the terrific debacle which took place in 1929. My own opinion is that it was not because of high prices, but because of the speculative fever which occurred during that period.

Mr. BROWN. Of course, Mr. President, that speculation was induced by rising prices.

Mr. WHEELER. Of course it was induced by rising prices. Nevertheless, during that period there was not any attempt to stop the speculation. Bank officials and everyone else, as the Senator knows, encouraged people from one end of the country to the other to buy bonds and more bonds, stocks and more stocks; and that speculative era was what really caused the panic of 1929.

Mr. BROWN. Why was the farmer able to go into debt? It was because of the high prices of agricultural products.

Mr. WHEELER. Oh, no.

Mr. BROWN. He was a good risk to the banker.

Mr. THOMAS of Oklahoma. Mr. President, if I may have the floor, let me say that the farmer did not go into debt during that period. The farmer went into debt during the World War and after the World War, and not during the period to which the Senator refers. The farmer did not go into debt after prices began to fall. They began to fall immediately after the great conventions were held in June of 1920; because in the platform adopted in the convention of one of the parties it was stated in effect that we are against the high cost of living. Place us in power and we will bring down the cost of living. How will we do it? We will do it by a courageous deflation of both currency and credit.

There is the whole philosophy of the money question.

As soon as the representatives of the party successful in that election got into power, they did exactly what they promised to do. The wise folks knew what was coming, and they began to sell. They began to sell their properties and put the money into bonds while they could get bonds low. That meant that the debts were not created by the farmer. He wanted to get out from under as well as the smart folks did.

Mr. WHEELER. I agree entirely with what the Senator says. So far as the farmers in the Middle West, in Iowa, Montana, and the Dakotas are concerned, the farmer did not go into debt in 1928. He went into debt because during the war the farmer was told to plant more crops, and during that period he bought more land and planted more crops. That is when the farmer went into debt. It was during the period 1922-29, when the little banks began to speculate; and the speculative era came about because high-pressure salesmen sold bonds and stocks to every little merchant. Then we were going to have an era of prosperity. We were buying stocks and bonds. If Senators will read the statements given out by Mr. Mellon and others in authority at that time, they will see that it was not the fact that the farmer was buying, but it was Wall Street speculation, and not speculation by the farmer, that brought about the panic of 1929.

Mr. BROWN. I do not want the Senator to put me in the position of saying that the farmer was responsible for bringing about that condition.

Mr. WHEELER. No; I am not saying that.

Mr. BROWN. What I am arguing against is the claim made by the Senator from Oklahoma that the relationship existing during the period 1920-30 was a good one. I think it was one of the most unfortunate periods in our history, and I think the rising prices of that time had their natural consequence in the great collapse of values that occurred in 1929 and immediately thereafter.

Mr. THOMAS of Oklahoma. Mr. President, we must keep the record straight. That was not the period when prices were rising. They were kept stable during the period from 1922 to 1929. The period of rising prices was from 1915 to the middle of the summer of 1920. Prices started to decline just after the convention in Chicago in 1920. Then prices began to tumble.

Mr. BROWN. When was land in Iowa selling for \$400 an acre? It was in 1929.

Mr. WHEELER. Of course, it was selling for that price; but prices of farm lands actually went up during the war period, and that is when farmers went into debt. It was not the farmers' prices that caused the panic of 1929. It was Wall Street speculation that caused the panic of 1929. I agree with what the Senator from Oklahoma has said. If we are going to keep prices down, we might as well make up our minds that we shall never pay off the \$150,000,000,000 or \$200,000,000,000 debt which we are incurring by the program that is under way.

Mr. BROWN. I desire to show the Senator from Montana and the Senator from Wyoming, both of whom are interested in the subject matter, what would be the result of substituting the Thomas amendment, which provides for 100 percent of parity—not for 110 percent of parity, but for 100 percent of parity. The price of cotton would go up to 20.1 cents a pound.

Mr. THOMAS of Oklahoma. Mr. President, does the Senator think that is too high?

Mr. BROWN. No.

Mr. THOMAS of Oklahoma. Then, why object to it?

Mr. BROWN. But the price of beef cattle would go from \$9.38 down to \$6.46 a hundred pounds.

Mr. THOMAS of Oklahoma. Not necessarily.

Mr. BROWN. Under the Thomas amendment, the price of a large number of commodities—in fact, of the great majority—would go down, rather than up.

I ask unanimous consent, Mr. President, to have inserted in the RECORD a table showing the figures I have just mentioned.

Mr. THOMAS of Oklahoma. Mr. President, I request that the table not appear in connection with my remarks.

Mr. BROWN. That would be most unfortunate, Mr. President.

[The table submitted by Mr. BROWN appears in the RECORD at the conclusion of the remarks of Mr. THOMAS of Oklahoma.]

Mr. THOMAS of Oklahoma. Mr. President, the law of supply and demand will control the price in the absence of a price ceiling. If beef cattle are selling at \$10 a hundredweight—and we may fix the price at any point we want to—or around \$15 or \$20 a hundredweight, the law of supply and demand will control the price of cattle until it gets up to the point at which Mr. Henderson begins to operate.

Mr. President, before taking up the next subject matter—and I shall not use time unnecessarily—I wish to have placed in the RECORD a list of the commodities that are considered in making up the index numbers of the Bureau of Agricultural Economics. It is a list of 267 commodities. One objection that the Secretary of Agriculture has to my amendment is that it contains items that the farmer sells. This index number is presumed to contain items that the farmer buys. The index number I am suggesting is the regular Bureau of Labor Statistics index, made up of 900 commodities of all kinds and character; but in looking through this table I find that about half the items are identical with items produced by the farmers.

For example, I find here bran, corn, corn gluten, corn meal, cottonseed meal, commercial mixed feed, hay, alfalfa hay, linseed meal, middlings, oats, salt stock.

Then, Mr. President, I find many other products which the farmers produce. For example, on page 1 I find a list of 67 items. They will show in the RECORD, but I will state a few of them in answer to the Secretary's argument that we should not take the Bureau of Labor Statistics index because it is based on items

that the farmers sell. What about these items—wheat, corn, oats, barley, rye, rice, cotton, cottonseed?

Under fruits: Apples, oranges, lemons, grapefruit, pears, peaches, apricots, cranberries, cherries, strawberries, prunes, grapes, pecans, and walnuts.

Under vegetables and truck crops we have the following: Potatoes, sweetpotatoes, beans, truck crops such as snap beans, cabbage, carrots, cauliflower, celery, onions, lettuce, green peas, and green peppers.

Then we have spinach, tomatoes, asparagus, cantaloupes, watermelons, and other items of that kind.

So, Mr. President, in order that the RECORD may be complete, I have explained how we obtained the base price. It is the average price for which the commodity sold during the base period of 1909-14.

This is on the other side of the equation. All that equals one figure. The average price of these commodities equals the other figure.

I ask unanimous consent that the list may be placed in the RECORD in order that the RECORD may be complete.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

COMMODITIES INCLUDED IN THE NEW INDEX OF PRICES PAID FOR COMMODITIES, 1935-39

Commodities used in living

Food (21): Apples,* bacon, sliced,* bananas,* beef, round steak,* bread, white,* butter,* cheese,* coffee,* cornmeal,* flour,* lard,* lemons,* oats, rolled,* oranges,* pork, loin,* raisins,* rice,* salt,* sugar,* tea,* vinegar.*

Clothing (18): Men's clothing—Gloves, cotton,* hat, felt,* overalls,* rubber boots, knee,* shirt, cotton, work,* shoes, work,* socks, cotton, work,* suit, wool,* trousers, wool,* union suit, winter,* union suit, athletic.*

Women's clothing—Bloomers, knit, rayon,* coat, cloth, dress, house,* hose, silk,* shoes,* percale,* muslin.*

Household supplies (9): Broom,* coal, hard,* coal, soft,* wood,* gasoline,* kerosene,* soap, laundry,* soap, toilet,* starch, laundry.*

Furniture and furnishings (22): Bed-spring,* bedstead,* blanket,* chair, dining,* comforter,* dinner plate,* dresser,* fruit jar,* kitchen cabinet,* linoleum,* living-room suite,* mattress,* rug,* sewing machine,* sheet,* stove, kitchen range,* stove, kerosene, table, dining,* towel,* wash boiler,* washing machine,* wringer.*

Automobile, gas oil, and tires (4): Automobile,* gasoline,* oil,* tire.*

Building materials for house (15): 2 by 6 by 16,* 2 by 4 by 16,* rough boards,* flooring,* shiplap,* bevel siding,* door,* lath,* shingles,* window,* brick, common,* cement,* nails,* paint,* screening.*

Total, 89 items for living.

COMMODITIES INCLUDED IN THE NEW INDEX OF PRICES PAID FOR COMMODITIES, 1935-39

Commodities used in production

Feed (12): Bran,* corn,* corn gluten,* corn meal,* cottonseed meal,* commercial mixed feed,* hay, alfalfa,* linseed meal,* middlings,* oats,* salt stock,* tankage.*

Farm machinery (31): Binder, corn; binder, grain;* combine; cultivator, 1-horse walking;* cultivator, 1-row riding;* cultivator, 2-row; drill, grain;* engine, gas;* ensilage cutter;* feed grinder;* hammer mill;* harrow, disk;* harrow, spike-tooth;* harrow, spring-tooth; hay loader, manure spreader*;

mower*; planter, corn or cotton, 1-row; planter, corn or cotton, 2-row*; plow, 1-horse walking*; plow, 2-horse walking*; plow, 2-bottom, horse-drawn; plow, tractor 2-bottom*; potato digger*; rake, side-delivery; rake, sulky, self-dump*; separator, cream*; threshing, grain*; truck, farm, steel-wheel; wagon*; wagon box.

Motor vehicles (3): Automobiles,* trucks,* tractors.*

Motor fuel, oil, and tires (5): Gasoline for autos and trucks,* gasoline for tractors, kerosene,* motor oil,* tires.*

Livestock (5): Cattle and calves, hogs, horses, mules, lambs.

Fertilizer (13): Mixed fertilizer, 3-8-3*; mixed fertilizer, 4-8-7*; mixed fertilizer, 2-12-2*; mixed fertilizer, 2-12-6*; mixed fertilizers, 4-8-4*; mixed fertilizers, 3-8-5*; mixed fertilizer, 5-8-7*; mixed fertilizer, 3-8-6*; acid phosphate*; nitrate of soda*; sulphate of ammonia*; muriate of potash*; ground limestone.*

Service building materials (20): 2 by 6 by 16*; 2 by 4 by 16*; rough boards*; shiplap*; siding, drop*; brick, common*; cement*; nails*; paint*; roofing, composition*; roofing, steel galvanized*; fence posts, steel*; fence posts, wooden*; gates, galvanized iron*; pumps, iron*; poultry netting*; windmills*; shingles*; windows, barn*; barbed wire, galvanized.*

Equipment and supplies (14): Axe; binder twine*; bushel basket*; halter, leather; hoe*; horse blanket*; horse collar*; lead arsenate*; milk can*; milk pail*; machine oil*; pipe, galvanized iron*; pitch fork*; rope, manila.*

Seed (10): Alfalfa seed,* bluegrass seed,* cottonseed,* cowpeas, red-clover seed,* sweet-clover seed,* seed potatoes,* seed wheat, soybeans, timothy seed.*

Total, 113 items for production.

Grand total, 202 items for living and production.

FARM PRODUCTS INCLUDED IN NEW INDEX OF PRICES RECEIVED BY FARMERS, 1935-39

Grains (6): Wheat,* corn,* oats,* barley,* rye,* rice.*

Cotton and cottonseed (2): Cotton,* cottonseed.*

Fruits (14): Apples,* oranges,* lemons,* grapefruit,* pears,* peaches, apricots, cranberries, cherries,* strawberries,* prunes,* grapes,* pecans,* walnuts.*

Vegetables and truck crops (24): Potatoes,* sweetpotatoes,* beans, dry edible,* truck crops for market—beans, snap,* cabbage,* carrots,* cauliflower,* celery,* onions,* lettuce,* peas, green,* peppers, green,* spinach,* tomatoes,* asparagus,* cantaloupes,* watermelons,* truck crops for processing—asparagus,* beans, snap,* cabbage for kraut,* corn, sweet,* cucumbers for pickles,* peas, green,* tomatoes.*

Dairy products (4): Milk, wholesale,* milk, retail,* butter,* butterfat.*

Poultry and eggs (3): Chickens,* eggs,* turkeys.*

Meat animals (5): Cattle,* calves,* sheep,* lambs,* hogs.*

Miscellaneous (9): Tobacco,* peanuts,* wool,* flaxseed,* hay,* horses,* mules,* soybeans,* sugar beets.

Total, 67 items.

Division of Statistical and Historical Research, Bureau of Agricultural Economics.

*Asterisk represents farm product included in both old and new indexes.

†Dagger represents new item included in index but not carried back to 1910-14.

No mark after a commodity indicates new item included in index and carried back to 1910-14 period.

Cucumbers for market were included in the old index but not in the new

Mr. THOMAS of Oklahoma. Mr. President, my amendment, when I shall present it, will refer to the 1926 level.

That is the level to which the distinguished junior Senator from Michigan is so violently opposed. He said it brought on the crash of 1929; which almost destroyed the world. Well, in 1926 we had, as I think and as I thought, fairly good times in the country. They were the best times we had known for a long period; and the responsible officials of the Government—not of my party, but that makes no difference—decided that 1926 was a pretty fair year. So they decided that they would make that the sample, the goal, the starting point; they would start from the year 1926. They took different groups of commodities. They took farm products, No. 1; foods, No. 2; hides and leather products, No. 3; textile products, No. 4; fuel and lighting, No. 5; metals and metal products, No. 6; building materials, No. 7; chemicals and allied products, No. 8; housefurnishing goods, No. 9; miscellaneous goods, No. 10. They gave the then prevailing prices of each of those groups, on the average, a number of 100. Then the dollar had 100 cents in it. They took the prices of the commodities making up these various groups for the year 1926, gave a rating of 100, and called that the starting point.

That is one equation. On the other side they took 100, which represents the 100 cents in the dollar; so they conceived and considered and determined and decided that 1926 was the best year they could revert to as a starting point. So from that time on we have been following this method of measuring value.

At the present time farm products, according to this standard of 100, stand at 91.1. That means—this was of the date November 29—that farm products, according to this measuring device, are 9 points below what they were in 1926, as an average and as a rule.

It means that food products, which were 100 in 1926, on November 29 of this year stood at 89.2. That is practically 11 points below the standard of 1926.

We find hides and leather products given 100 in 1926. On the 29th of November 1941 they stood at 115.4. That means that hides and the things made from hides, which are leather products, were on that date on the average 15 percent higher than they were during the year 1926.

The next group is textile products. They were given 100 in 1926, and on November 29 they stood at 90.6. Textile products are made up, of course, of cotton, woolen, silk, and other similar products. During 1926 they were given a rating of 100; and, as I said, on November 29 they stood at 90.6.

The next is fuel and lighting, which were given 100 in 1926. On November 29 they stood at 79.4. That is more than 20 points below what they were. That means that metals and metal products on November 29 were 20 percent cheaper than they were during the year 1926.

Metals and metal products were given 100 in 1926, and on November 29 they stood at 103.3—3 percent above what they were in 1926.

Building materials were given 100 in 1926. On November 29 they stood at 107.4, practically 7½ percent above what they were in 1926, on the average.

Chemicals and allied products were given 100 in 1926, and they stood at 89.7, or practically 11 points cheaper now than they were in 1926.

The next is house-furnishing goods. They stood at 100 in 1926. On November 29 they stood at 101.9, practically 2 percent higher or more expensive than they were in 1926.

Then miscellaneous—that catches everything—were given 100, whatever they were, in 1926; and on November 29, 1941, the same items were 87.1.

So, Mr. President, save in the case of four items, these group products are cheaper now than they were in 1926. Only three groups are higher than they were in 1926, and even those are not materially higher. For example, one is nine-tenths of 1 percent higher. That is practically on a parity. The only group that is perceptibly higher is the group embracing hides and leather products, which stands at 115.4.

So, Mr. President, that is the reason why we refer to the year 1926 as being the goal. That is the standard. It was the beginning. It was the year, if I remember correctly, when we passed out of inflation back to stability. From this measuring device, if prices fall below 100, we are in deflation, and if prices rise above 100 to that extent we are in inflation. If we can put these groups in a relation to each other of 100—and they are almost that now—then we can keep the whole group in harmony, at 100 or thereabouts.

Mr. O'MAHONEY. Mr. President, will the Senator yield before he puts away the chart before him?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. O'MAHONEY. As I understand the Senator, the chart shows with respect to farm products and foods that their prices in November of 1941 were from 10 to 12 percent below what they were in 1926.

Mr. THOMAS of Oklahoma. That is correct.

Mr. O'MAHONEY. The products of which the prices are practically the same as they were in 1926, or a little above, are principally industrial products.

Mr. THOMAS of Oklahoma. I think they are all industrial products.

Mr. O'MAHONEY. So that, according to the chart, in 1926 there was a spread between agricultural products and industrial products.

Mr. THOMAS of Oklahoma. In 1926 they were all given a rating of 100. They stood in that relation to each other. Farm products were given a rating of 100, and food products were given a rating of 100.

Mr. O'MAHONEY. But that is an arbitrary relationship.

Mr. THOMAS of Oklahoma. That is true; but the prices then obtaining, whatever they were, were given a rating of 100.

Mr. O'MAHONEY. The relationship had to be selected; I understand that; but, as the Senator has already demonstrated, when the deflation of 1921 took place, its chief burden was felt by agricultural commodities. The charts of that time will show that the curve of agricultural prices took a precipitate fall, whereas the curve of industrial commod-

ity prices fell very slightly. So what we are now confronted with, as the Senator has demonstrated, is that in November of 1941 the prices of farm products and of food still remained from 10 to 12 cents below the period of 1926, which has been selected as the norm.

Mr. THOMAS of Oklahoma. The Senator is exactly correct in his interpretation.

Mr. President, if I may, I should like to get my charts in the RECORD tonight. I will not take any more time than I have to.

Mr. WHEELER. Mr. President—
Mr. THOMAS of Oklahoma. I yield to the Senator from Montana.

Mr. WHEELER. The time when the price of farm products fell precipitately was in the period of deflation, when Governor Strong started calling farm loans; but industrial prices did not drop in comparison with farm prices.

Mr. THOMAS of Oklahoma. For the very obvious reason that farmers are not financed as industry is.

Mr. WHEELER. And they cannot fix the prices.

Mr. THOMAS of Oklahoma. And industries, if times are not good, can lay off their men. They can quit buying; they can curtail and save themselves. The farmer cannot do that. Any industry, if it needs money, can go to a bank and get it at any time, at a reasonable rate of interest. The farmer cannot do that. If a farmer owed a bank, and the bank had a mortgage on his cattle or his stored wheat or his stored corn or his stored cotton, he knew that if the loan were called he would have to sell. The farmer, then, had to take what he could get. Industry did not have to sell. It could have put up collateral; and, if its own bank could not grant the accommodation, it could have gone to some other bank. The farmer could not do that.

Mr. WHEELER. The point I wanted to make was that farm prices never came up to a parity with prices of manufactured products to what they were prior to 1921 or prior to the time when Governor Strong had the Federal Reserve banks call in the loans. Yet today farm prices are lower than they were even in 1926, when they had not come back to parity with the 1921 prices.

Mr. THOMAS of Oklahoma. They are lower than they were in 1926.

Mr. President, the amendment I shall propose for consideration provides a statutory formula for arriving at parity prices. It follows the same principle which is now in the minds of those who manage the Bureau of Agricultural Economics. Their plan is not written, it is in their minds, and they can change it. They do not have to make it public, and it is not public. One has to study it to ascertain what it is, but we can find out what it is by studying it.

I favor a change of the base period from 1909-1914 to 1919-1929. The present base period is 6 years. I desire to make it a 10-year base period, commencing July 1, 1919, and ending on June 30, 1929.

In explaining just how my amendment would work, I shall take cotton as an example, because there are many Senators

on the floor who understand the details of cotton production. The same method I have heretofore described will be followed in working out the base price. Under the present plan the base price is the average price for the years 1909-1914. The base price I propose is the average price of any commodity during the newly suggested base period, 1919 to 1929.

There are in this country 10 principal concentration points for cotton. There are 10 places where merchants dealing in cotton can send their cotton for storage, for concentration purposes, because there is a standard market. Those 10 places are Augusta, Ga.; Houston, Tex.; Montgomery, Ala.; Galveston, Tex.; Memphis, Tenn.; Charleston, S. C.; Dallas, Tex.; New Orleans, La.; Savannah, Ga.; and Little Rock, Ark. Those are all the concentration points there are.

There is a spot market for cotton at each of those towns every day in the year when the exchanges are open. In order to ascertain whether or not my amendment will work I sent to each of these exchanges a request that they fill out a questionnaire for me. I asked them to give me the price of $\frac{7}{8}$ -inch middling cotton as it was reflected by their books on the first day of each month and the fifteenth day of each month during each of the years in the 10-year period. When I received the answers I found that the average price of cotton at each exchange was so much for the year. Then by adding the figures for the 10 years, I found the average price of cotton at each of these concentration places for the period. By adding the 10 concentration averages and striking an average, I got the general average, or base price.

The average price of cotton at each of the concentration points was as follows:

	Cents
Augusta.....	22.685
Houston.....	22.867
Montgomery.....	22.449
Galveston.....	23.153
Memphis.....	22.826
Charleston.....	22.690
Dallas.....	22.350
New Orleans.....	22.793
Savannah.....	22.570
Little Rock.....	22.605

Those were the average prices for which cotton sold at each of those 10 concentration points during the 10-year period. By adding the 10 averages and striking an average of them all, we find that the average or base price of cotton during the 10-year period was 22.698. That is what cotton sold for in the South at these 10 concentration points, on the average, during the 10-year period.

To show that my research was not far wrong, I sent to the Department of Agriculture and asked them to fill out the same questionnaire. They filled it out, and by striking the average of their figures we find they show the average price of cotton at each of those 10 points to be 22.7 cents. The research I made showed that the price was a fraction of a cent less than the price found by the Bureau of Agricultural Economics. So it is fair to say that the average or base price of cotton during the 10-year period was 22.69 cents a pound.

Mr. President, that is one side of the equation. If we take that figure as the

base price, than we have only to go to the Department of Labor to find their figures already made. They do not have to make them up. They are made once each week.

Starting at the base period, the year 1926, at 100—and I have explained how that came about—we find, if we make the computation, that all we have to do in order to find the parity price of cotton when once the base price, which is 22.7, is determined, is to go to the Bureau of Labor Statistics and ask them what the index number is. If the index number is 90, we multiply 22.7 by 90, and the result is the parity price of cotton. If the index is 100, we multiply by 100, and get the base price or the average price during the 10-year period. It is just as simple with the other commodities.

Using the same system in the case of wheat, we find there are some major concentration markets for wheat. There are St. Louis, Chicago, Minneapolis, Omaha, Fort Worth, Duluth, and others. I have found the average price at which No. 1 Hard wheat sold for during the 10-year period at the six places I have named. The prices were as follows:

St. Louis.....	\$1.616
Chicago.....	1.528
Minneapolis.....	1.551
Omaha.....	1.506
Fort Worth.....	1.560
Duluth.....	1.704

By striking a general average of those prices, we find that the average or base price for wheat for the 10-year period was \$1.57 a bushel. That shows how simple it is.

When this is once worked out, it never has to be worked out again, so long as the law stands. If that should be concurred in the Bureau of Labor Statistics, as we have their figure for cotton, when once figured out, it stands until the law is changed. From week to week all we have to do in order to find the parity price of any commodity is to find the average price, which will be worked out and made public, then telephone the Department of Labor and get the index number, and multiply the base price by the index number, the result being parity.

Mr. CHANDLER. Mr. President, before the Senator leaves that point, I wish he would put into the RECORD the average price the Department of Agriculture gave, so that it will appear in his remarks. I believe he overlooked that.

Mr. THOMAS of Oklahoma. The Senator asks me to insert in the RECORD the price which the Department of Agriculture figures for wheat. As I recall, it is less than the figure I gave. The Department figure is less than the average for the six concentration points. That is for the reason that they try to stick pretty closely to the farm price, and the farm price is always less than the concentration point price. In the case of cotton, for example, the farmer did not on an average receive 22.7 cents for his cotton. He sold it back in the State to someone who purchased it, and someone made a commission, and someone had to pay the freight. But when the cotton went to these concentration points, the mill bought it there, and 22.7 cents was the price the mill people had to pay.

Someone might ask, why do you take as your base price the high price, which is the concentration-point price, and then go to the Bureau of Labor Statistics, which has the wholesale price? That is very simple. It is an arbitrary matter. I give the farmers the benefit of a high base price, then I place that against the wholesale price, on the theory that if he gets a little more in his base price he will have to pay a little more for the things he buys, so on the average what he receives and what he has to pay out will be equalized.

I have another chart dealing with the parity price on corn, which I wish to explain. During that 10-year period the average price of a good grade of corn which is tenderable on contracts was 95.4 cents at Chicago; at Omaha the price was 89.7 cents; at Minneapolis 89.3 cents; and at St. Louis the average price was 94.9 cents, which made a general average price at which corn sold during that 10-year period of 92.3 cents.

In order to obtain the parity price on corn all that is necessary to be done is to telephone to the Department. The price changes every week. The Bureau gets out a new index number every Thursday. The base price does not change. That stands as long as the law stands. But the index number changes. By multiplying the base price by the index number the parity price can be obtained. The price is only a matter of one week's duration. The index number of industrial commodities remains the same for 1 month. A new index number is fixed on the 15th of each month. The present index number is 143.

Mr. President, my amendment would provide a definite statutory formula for arriving at parity prices, one that could not be changed except by the Congress, so that a man in Duluth, or a man in Key West, or a man anywhere else who has access to statistics could figure out the parity price. He could obtain the base price as it may be figured out and published by the Department of Agriculture, and then he could telephone or telegraph from time to time and get the index number, and by multiplying one figure by the other he could get the parity price. The Bureau of Agricultural Economics works it out only once a month, so it does not change as rapidly as the index figured out by the Bureau of Labor Statistics.

Mr. President, my amendment is not limited to agricultural products, but includes industrial products as well, indeed, all the commodities or products with which Mr. Henderson will have to deal. It provides that Mr. Henderson, or the Administrator, cannot touch a single item, regardless of what it may be, until the price of the product reaches either parity or within 5 percent of parity. If the commodity is above parity he can begin to operate on it.

Take any commodity, I care not what it may be—copper, lead, zinc, any commodity either in the raw or processed stage—Mr. Henderson cannot do anything with that commodity until the price of the commodity reaches 95. Then he can begin to consider it, and, under my amendment, to fix the price on it, not

higher than 100, not higher than it was in 1926. I do not have a 110-percent provision in my amendment. I am not against the 110-percent provision, but I am not asking for it. No farmer has asked me for 110 percent. No farmer has asked me for any advantages. The farmers are asking me to see to it that they are placed on a parity, a full parity, an honest parity. They are not there now. They are not there now because of economic conditions, not because of those who use the different formulas to arrive at parity.

Mr. President, my amendment would give Mr. Henderson the authority of the Congress. That is the authority he will have if he is given any authority. He has no power inherently. No one other than the Congress has any power to legislate. No one has the right to legislate, excepting the Congress, but the Congress may delegate its constitutional power to some agency, and that must be done in a constitutional way. It is my contention that the bill in its present form is not constitutional. In my judgment, no court in peacetime would sustain the bill in its present form. What courts may do in wartime I am not so sure.

If we pass the bill, I am not so sure it will not be sustained. In wartimes we do many things which we probably would not do in peacetimes. The bill, however, is not a constitutional bill. It is a delegation of congressional power under the Constitution, if it is anything, and to be a proper delegation of power the Congress must do two things: First, it must create the agency, and must give the agency directions as to when it may act; second, it must place limitations upon the actions of the agency when it does act. The bill does not fix such limitations. I contend the bill is not constitutional.

I am not a member of the committee which considered the bill. I am not criticizing the committee. We have not undertaken heretofore to write a bill of this kind. The task has been a gigantic one. The committee which performed this task should be commended, and I commend the committee, and especially do I commend the active and energetic Senator from Michigan [Mr. BROWN], who is in charge of the bill. But if we can improve the bill I am willing to try to do so. I think the bill ought to delegate to an administrator the power which the Congress has, but we should provide that he must find certain conditions to be in existence before he can act. Then let us place limits within which he can act. My amendment seeks to do that.

If prices reach within 5 points of 100, that is a condition which gives him power to act. Then he can act to fix prices upon the raw product or the finished product at around 100. If he finds some group is above 100, he can take steps immediately to bring the price down to 100. If the prices are at 100, as some are now, he can take steps to keep them there. So my amendment establishes the conditions under which the Administrator may act and the limits within which he may act.

That is about the explanation I care to make, save for one further statement:

After I had prepared my amendment, I was very gratified this morning to receive a letter from Albert W. Hawkes, president of the Chamber of Commerce of the United States. The letter is dated January 7, 1942. In reading through the report of the committee of the Chamber of Commerce of the United States, which was sent with the letter to which I referred, I find, on page 10 thereof, this statement:

The function of Congress does not end with the laying down of such policies, but includes establishment of standards according to which the agency it selects for the purpose of administration may be guided and limited in activities in support of the policies declared by Congress. Extraordinary conditions may call for extraordinary remedies, the Supreme Court has pointed out, adding that extraordinary conditions do not create or enlarge constitutional power.

Mr. President, that sustains the point I have just made. It is true we are at war, but war does not expand the Constitution. War does not change the Constitution. The powers contained in the Constitution have been there for 150 years. They are there today. When war was declared the Constitution was not changed. If under the Constitution we could not delegate power 2 months ago in a certain way, we certainly cannot delegate it in the same way now, and make it constitutional now, provided the power was unconstitutional in the first place.

I shall read into the RECORD one further statement from the report of the committee of the Chamber of Commerce of the United States, which sustains my viewpoint entirely. I did not know that the Chamber of Commerce of the United States was going to endorse my amendment, but here is an endorsement of my amendment:

This standard for price fixing Congress can place beyond any possibility of misunderstanding by adding definitions of the extent and conditions under which control is to be imposed. These definitions could be in terms of price relationships as shown by the price data comprehensively collected and published weekly and monthly, by a Federal agency of long experience, the Bureau of Labor Statistics, and now utilized by other Federal agencies such as the Board of Governors of the Federal Reserve System. Such data will show immediately any price within a group, and any class related to any other classes, that should have attention.

Mr. President, that is as clear an endorsement of the amendment I have offered as could be written. It is suggested that we keep the prices of all our commodities in relationship according to some formula, and the figures of the Bureau of Labor Statistics are taken as one-half the formula. The other half, of course, would be the base period or the base price. From that standpoint the problem could be handled with the 1909-14 base or the 1919-29 base.

At a later time, Mr. President, I shall call up the amendment and ask for its consideration.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. SHIPSTEAD. I have been absent from the Chamber and did not hear all the Senator's discussion. The Senator

does not mean, does he, that the average price shall be the ceiling of prices?

Mr. THOMAS of Oklahoma. I do not understand the question.

Mr. SHIPSTEAD. Does the Senator mean that the average price which he has figured out for cotton, as an example, should be the ceiling of prices?

Mr. THOMAS of Oklahoma. I mean that at the present time the base price multiplied by the present index number would give a price of cotton of about 21½ cents a pound. That is the price which should be fixed at present for cotton. Then, as the parity price goes up, if wages are unrestrained, they will cause other prices to go up. Then, if the index number should go up, the price of cotton would go up, because the index number would govern the price of cotton.

Mr. SHIPSTEAD. And the prices of finished products would also go up.

Mr. THOMAS of Oklahoma. Yes.

Mr. SHIPSTEAD. The Senator means, then, to arrive at a price which would represent a fair exchange value on the basis of parity.

Mr. THOMAS of Oklahoma. The price should be placed at that point now, and kept there, according to the formula. In my judgment, it could be done very easily.

Mr. SHIPSTEAD. Does the Senator think that parity would not fluctuate? Would the Senator fix a price now which would not fluctuate?

Mr. THOMAS of Oklahoma. I could not do that for the reason that if wages continue to increase other prices will increase.

Mr. SHIPSTEAD. Why talk about wages? What about prices and profits?

Mr. THOMAS of Oklahoma. Mr. President, I admit that I am getting at the wage matter through a sort of back door.

Mr. SHIPSTEAD. We are fixing prices on farm commodities. The farmer pays to industry more than the price of labor; he also pays profits. If we are to have a parity price it must be based on the price of the finished product, and not on the labor income index.

Mr. THOMAS of Oklahoma. I have concluded, Mr. President, unless the Senator has some further suggestion.

Mr. SHIPSTEAD. I am asking the Senator a question.

Mr. THOMAS of Oklahoma. I have explained my formula to the Senator. My formula would fix the price on cotton at present at 20 cents plus.

Mr. SHIPSTEAD. I understand that; but what do the figures mean? The Senator talks about the labor index. Does he mean labor income?

Mr. THOMAS of Oklahoma. No, Mr. President.

Mr. SHIPSTEAD. Or does he mean the price level?

Mr. THOMAS of Oklahoma. Each week the Bureau of Labor Statistics obtains the prices on certain quantities of each of 900 commodities.

Mr. SHIPSTEAD. That is correct.

Mr. THOMAS of Oklahoma. Then it adds the prices of all those commodities, making a grand total. It then divides the grand total by the number of commodities, and the average shows whether prices, on the whole, have gone up or

down. If the average is higher it means that the average has gone up. If the average is lower it means that on the average prices have gone down. Of course, the prices of a good many commodities would not change at all. Some would go up, and some would go down; but in times of stability the average would be about the same. The average has not changed very much until recently. During the past year the index number changed only a fraction of a point from week to week and from month to month. Now, with all our spending, the average is going up.

Mr. SHIPSTEAD. The Senator is aiming at a uniform formula, which is not a fixed price, but a flexible formula. Whether prices go up or down, agricultural prices would be on a basis of fair exchange with industrial prices.

Mr. THOMAS of Oklahoma. I am trying to place farm commodities on a parity with industry; and once having placed them there, I want to keep them there. If industrial prices go up I want farm prices to go up. If industrial prices go down, I want farm prices to go down. If we can place them on a parity and keep them there we can make some progress.

Mr. SHIPSTEAD. The bill would not accomplish that purpose.

Mr. THOMAS of Oklahoma. It would not, but the amendment which I have suggested is for that purpose.

Mr. President, I surrender the floor.

During the course of the remarks of Mr. THOMAS of Oklahoma, the following table was submitted by Mr. BROWN and ordered to be printed in the RECORD:

Parity prices for selected agricultural commodities under 2 methods of measurement

Commodity and unit	Actual price, Dec. 15, 1941	Parity price, Dec. 15, 1941		Percent Thomas amendment, parity of current measurement	Percent actual price of parity	
		Current measurement	Thomas amendment		Current measurement	Thomas amendment
Wheat, per bushel.....cents..	102.2	127.3	124.6	97.9	80.3	82.0
Corn, per bushel.....do.....	66.9	92.4	83.6	90.5	72.4	80.0
Oats, per bushel.....do.....	45.2	57.5	44.6	77.6	78.6	101.3
Barley, per bushel.....do.....	56.1	89.1	65.1	73.1	63.0	86.2
Rye, per bushel.....do.....	57.8	103.7	89.0	85.8	57.7	84.9
Buckwheat, per bushel.....do.....	64.9	105.1	99.3	94.5	61.8	65.4
Flaxseed, per bushel.....dollars..	1.78	2.43	2.20	90.5	73.3	80.9
Cotton, per pound.....cents..	16.23	17.86	20.1	112.5	90.9	80.7
Cottonseed, per ton.....dollars..	44.65	32.47	32.37	99.7	137.5	137.9
Potatoes, per bushel.....cents..	82.7	101.3	117.5	116.0	81.6	70.4
Sweetpotatoes, per bushel.....do.....	86.6	126.4	128.0	101.3	68.5	67.7
Hay, per ton.....dollars..	9.43	17.09	12.72	74.4	55.2	74.1
Peanuts, per pound.....cents..	4.79	6.9	5.48	79.4	69.4	87.4
Apples, per bushel.....dollars..	1.09	1.35	1.37	99.3	79.0	79.6
Hogs, per 100 pounds.....do.....	10.21	10.40	9.18	88.3	98.2	111.2
Beef cattle, per 100 pounds.....do.....	9.38	7.50	6.46	86.1	125.1	145.2
Veal calves, per 100 pounds.....do.....	11.22	9.72	9.07	93.3	115.4	123.7
Lambs, per 100 pounds.....do.....	9.86	8.45	10.32	122.1	116.7	95.5
Butterfat, per pound.....cents..	36.0	41.4	41.4	100.0	87.0	87.0
Chickens, live, per pound.....do.....	15.8	16.4	20.1	122.6	96.3	78.6
Turkeys, live, per pound.....do.....	20.9	20.7	27.1	130.9	101.0	77.1
Eggs, per dozen.....do.....	34.1	38.4	31.2	81.3	88.8	109.3
Wool, per pound.....do.....	37.1	26.4	32.1	121.6	140.5	115.6

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives by Mr. Swanson, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 2149. An act to amend the act approved April 22, 1941 (Public Law 39, 77th Cong.), so as to increase the authorized enlisted strength of the Navy and Marine Corps;

H. R. 4077. An act to amend the District of Columbia License Act so as to permit the transportation of school children and occasional sightseeing operations in the District of Columbia without procurement of a license or payment of a tax in the case of certain vehicles performing such operations in connection with transportation to the District of Columbia;

H. R. 5464. An act to authorize transfer of enlisted men of the Naval and Marine Corps Reserve to the Regular Navy and Marine Corps; and

H. R. 6163. An act to prohibit parking of vehicles upon public or private property in the District of Columbia without the consent of the owner of such property.

OPERATION OF THE SELECTIVE SERVICE SYSTEM

Mr. JOHNSON of Colorado. Mr. President, confusion and working at cross

purposes must be eliminated from the war effort if it is to be entirely successful; and it must be entirely successful if speedy and satisfactory results are to be achieved. America will accept nothing less than the highest degree of efficiency in the conduct and prosecution of our momentous undertaking. Woe unto that man who, through shortsightedness, selfishness, or stupidity, bungles any part of this vital job; and yet at this very moment the job of bringing men into the military service is being bungled and terribly confused. The Congress is not to blame for this sad state of affairs, for it was foresighted and enacted the Selective Service Act which provided an orderly, equitable, and intelligent formula for acquiring military manpower without disrupting the flow of industrial manpower.

I could furnish the Senate with a thousand exhibits to prove my point, but in the interest of brevity I shall place in the RECORD only one letter received by me. This letter is from the pen of Dean O. M. Dickerson, a World War veteran, a dean of one of the finest colleges of education in the land, and a member of his local draft board. His statement applies with equal force to every county in the United States and is a terrible indictment of our intelligence and ability to conduct

an all-out war against our unspeakable foes.

We are in a desperate conflict requiring the waging of total war against foes whose spoken word is the supreme law of their unhappy lands. That situation requires that every man in the United States be assigned a duty fitted to his abilities, and furthermore, that he serve in such an assignment. Some will man guns. Others will man the tools which produce the guns. Both activities are of vital importance to our safety. Congress enacted the Selective Service Act to determine where the manpower of this democratic Nation should be utilized. Congress naturally expected that selective service would supersede the faulty recruiting method in time of war, but unhappily the bureaucrats in the War and Navy Departments, disregarding the industrial needs of the Nation, have selfishly, stupidly, and tenaciously clung to recruiting.

Unfortunately, in this tragic hour, we are utilizing two diametrically opposed methods. We are inducting men into the military service under the Selective Service Act, and by the high pressure recruiting method. In my opinion the high pressure recruiting to which the young men of this Nation are being subjected is contrary to the best interests of this Nation. In my opinion high pressure recruiting is sabotaging selective service and is sabotaging America's industrial needs.

Recruiting officers, intentionally or unintentionally, are placing a stigma upon the young man whose name has not been called in the draft simply because he does not rush in and volunteer before he is called. Such an implication of failure in patriotism is nothing short of atrocious. It is important that this point be clarified. Otherwise the selective-service plan of military induction is a failure. Selective service was not devised as a method to induct cowards and slackers into the military service; rather it is a method to get the right man into the Army and the right man into the factory or laboratory or professional service.

Following the World War, the provost marshal general made a complete report to the Secretary of War on all phases of the operations of the selective-service system to December 20, 1918.

I ask unanimous consent to have printed in the RECORD at this point a letter from Dean O. M. Dickerson, of the Colorado State College of Education, at Greeley, Colo., together with three pages from the second report of the provost marshal general to the Secretary of War on December 20, 1918. The pages are Nos. 224, 225, and 226.

There being no objection, the letter and excerpts were ordered to be printed in the RECORD, as follows:

COLORADO STATE COLLEGE OF EDUCATION,
Greeley, December 13, 1941.
SENATOR EDWIN C. JOHNSON,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: I am writing you as an important member of the Senate Military Affairs Committee.

We are now at war. I understand that new war legislation is passing through Congress. I presume that this legislation will be patterned very closely on that used in the

last war. I served in that war, as you know, and am now serving on the local draft board.

The time has come when all enlistments should be discontinued. If we are making the greater part of our male population register and have selective service, why not use this system? For months the Regular Army has apparently been doing everything it can to sabotage the Selective Service Act. If they do not want this method of raising troops, why did they ask for it? If they do not intend to use it, certainly there is no excuse for rushing through new measures of that type.

Here in Greeley, in addition to the local draft board, we have a recruiting detachment from the Regular Army, another recruiting detachment from the Marines, and still another from the Navy. The recruiting staffs are made up of men in the highest pay brackets of their particular rank and service. The total cost of these recruiting detachments is high. There is not a single one of them that is not costing more than the entire personnel of the draft board. Together, they are costing several times the salaries being paid to the employees of the draft board. In addition, they are spending considerable sums in advertising of various kinds. I enclose a sample from the local paper. Why all this waste of funds when we are entering upon a long and tremendously expensive war?

The activities of the recruiting staff are creating a veritable panic among our young men. They are getting the impression that it will be a disgrace to be drafted; that the only respectable way to enter the Army is to volunteer. They are also being led to believe that all opportunities for advancement, choice of work, or opportunities in the great technical training schools will be given exclusively to those who volunteer. I am spending hours every week being interviewed by young men who believe that if they wait for the draft they will be discriminated against. I know from personal conversation with officers who have been doing this work that the men in the recruiting training centers have been high pressured to accept a discharge from their draft induction on condition that they will then reenlist in the Regular Army. I have been told in detail of the sales talk used to induce men to do this. In my opinion, the procedure is basically dishonorable, and should be stopped forthwith. Promises are being made that cannot possibly be kept.

Just how many armies do we have? At the present time we seem to have an Army of the United States, a Regular Army, an army of marines, and a Navy. We should have only one Army of the United States. The Regular Army should be told in no uncertain terms that it is a part of that Army and not a separate affair.

This special privilege of recruiting is denied to the National Guard organizations and will be denied to the many organizations created in large numbers to make the war army. Why should any special privilege of going out individually to recruit its own personnel be permitted for the Regular Army contingent, which is clearly going to be one of the smallest, and denied to the others?

This special privilege, together with the unfortunate sales talk that has been going on, is setting up permanent scars which will produce friction between the various elements of our armed forces at a time when we should have unity.

Every day, as we have to face the farmers of Weld County whose sons are being drafted on the ground that there is a great national emergency and therefore their sons must be taken away from them, they want to know why, if their sons are so desperately needed, "these fat, lazy soldiers from other services are loafing around town, with apparently mighty little to do. If war is on, why aren't these men on the drill fields at work, and with the armed contingents that are presumed to

be fighting? Are they to hold the soft, easy jobs and our sons to be made the cannon fodder?" This sort of thing is not good for the country.

I also find a more sinister question being asked. That is, just why is the administration so industriously building up a special section of the armed forces? Why is it not satisfied to take the ordinary manpower of this country, as it can be had any day by requisition? Is this special organization being built up for the purpose of seizing power? That is a most sinister suspicion to be allowed to spread at a time like this. The only way to end it is to end at once the policy which is creating it.

I am writing you thus plainly because I think we are faced with something very fundamental. Certainly, with the machinery of the Selective Service, any number and any kind of talent can be had by simply requisitioning it. Women and older men can amply man all of the activities of the recruiting service. The time has come to get our trained soldiers on the job. I sincerely hope that as this legislation is going through Congress revisions can be inserted in the bills to end this confusion. If the brass hats are unwilling to terminate the present kind of stupidity that is creating discontent, harassing the men who will have to serve in the Army, and creating inevitable disunity in the Army itself, then Congress should compel it to be done at the earliest possible moment.

Sincerely yours,

O. M. DICKERSON.

In short, the selective draft, in the varying stages of its indirect compulsory influence, was an effective stimulant of enlistment. In spite of the general popularity of the selective-service system as such, there persisted always—for many, at least—the desire to enter military service (if needs must) by enlistment rather than by draft—that is, to enter voluntarily in appearance at least. Thus, whenever the prospect of the draft call seemed near, enlistments received the benefit of the dilemma thus created. This indirect effect of a selective draft in stimulating enlistment must be reckoned as one of its powerful advantages.

(b) Influence of enlistment on the selective service mechanism: On the other hand, the selective draft itself suffered seriously, in its administrative aspect, by these fluctuations of enlistment by registrants. The Army (or Navy) gained the man equally, it is true, by whichever door he entered. But if the maintenance of the open door of enlistment should impair the effective workings of the draft, it ceased to be a matter of indifference.

And such was the consequence when class I came to be gradually depleted by reason of the heavy calls to camp in May, June, and July 1918. Unless the numbers of class I could be accurately known and located, the machinery for prompt and dependable deliveries of manpower on requisition would lose its working efficiency. During May and June volunteering did not interfere materially with the operation of the draft, for class I still contained a sufficient surplus of men to fill the calls for those months and also to permit of a considerable number of enlistments. But when the July and August calls were announced to the States, it became apparent that voluntary enlistment and the selective draft could not well operate coincidentally. Telegrams from State headquarters disclosed the fact that it was impossible to administer the selective draft, due to the rush to volunteer before being called in the draft. A typical case is this: A State headquarters would call upon 20 local boards for 15 men each, advices of the previous week having stated that each of those local boards had 25 men remaining in class I; but immediately the local boards would begin to report that their 25 men had enlisted, and that they therefore

had no men remaining in class I. These changes were so widespread and so large in quantity that it was impossible to ascertain seasonably where the class I men were and how many they numbered. Hence the changes of rule already described.

Since the date of withdrawal from class I registrants of the privilege of voluntary enlistment there occurred a slight increase (as might have been expected) in the number of voluntary individual inductions. The change was very slight, however, and the first appreciable increase was immediately after the September 12 registration, which brought a new 13,000,000 men under the selective draft. Voluntary individual inductions for the latter part of September and the month of October were heavy, due to the fact that the Navy, the Marine Corps, and certain staff corps of the Army were, for the time, permitted to secure their men of occupational skill in this manner during the period when the Selective Service Administration was overwhelmed with the process of classification of the registrants of the class of September 1918, and this became the more convenient method of furnishing that type of man.

Such was the development of the successive steps above taken, in first restricting and finally suspending and closing the opportunity of enlistment to registrants subject to induction under the selective-service system. A more detailed study of the story will reveal interesting conclusions of policy for the historian and the legislator.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:
Several postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

THE JUDICIARY

The legislative clerk read the nomination of A. Cecil Snyder, of Maryland, to be associate justice of the Supreme Court of Puerto Rico.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARKLEY. I ask that the President be notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be immediately notified.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 36 minutes p. m.) the Senate took a recess until tomorrow, Friday, January 9, 1942, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 8 (legislative day of January 6), 1942:

SUPREME COURT OF PUERTO RICO

A. Cecil Snyder to be associate justice of the Supreme Court of Puerto Rico.

POSTMASTERS

MISSOURI

Byron E. Thornhill, Archie.
Charles A. Lawrence, Fenton.
Fannie F. Norris, Wyatt.

HOUSE OF REPRESENTATIVES

THURSDAY, JANUARY 8, 1942

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, our Heavenly Father, from whom we come and unto whom our spirits return, grant us Thy blessing this hour. Save us, we pray Thee, from dis-tempered thoughts that otherwise might disturb our hearts. Thou hast made us in Thine image; if we have marred the divine within, do Thou forgive and restore unto us the joy of kinship that Thy wisdom may be justified of her children. O Thou who are known and yet unknown, breath of our breath, in Thee may we live, move, and have our being.

In all times of our Nation's trials, when we have sought Thee, we have found Thee; in all times of our success Thou hast won for us our victories and guided our counselors. Great God of the ages past and of the years to come, by Thine unerring counsel and mercy lead us on 'til the night is gone and we approach with clearer vision that love which moves the sun in heaven and all the stars. Be Thou, dear Lord, with the chivalrous defenders of human freedom; we pray that their memory shall remain with us and with the children of other generations a sacred shrine. In our Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2160. An act to amend section 3 of the act of March 19, 1918, entitled "An act to save daylight and to provide standard time for the United States" (40 Stat. 450).

The message also announced that the Vice President had appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

1. Department of Agriculture.
2. Department of Commerce.
3. Department of Justice.
4. Department of the Treasury.
5. Department of War.

6. Federal Security Agency, Social Security Board.

7. Federal Works Agency, Public Roads Administration.

8. Government Printing Office.

9. United States Courts, Administrative Office.

THE LATE HONORABLE CHARLES M. HAMILTON

The SPEAKER. The Chair recognizes the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Speaker, I am deeply grieved this morning because of the sudden and unexpected death of my predecessor, Hon. Charles Mann Hamilton. I did not know until yesterday and then by a rather roundabout way that he had died suddenly, January 3, in a hospital in Florida; in fact, I did not hear of his death until after his burial yesterday.

Congressman Hamilton served in this House of Representatives for three terms and during that time he made an enviable record. He was loved and respected by everybody here and he enjoyed the same respect and affection from the people of the Forty-third Congressional District, whom he represented so ably and faithfully for three terms in the House of Representatives.

Representative Hamilton was born in Ripley, Chautauqua County, N. Y., January 23, 1874; attended the Ripley High School; the Fredonia, N. Y., Normal School; and the Pennsylvania Military College at Chester; interested in agricultural pursuits and in oil production; member of the State assembly, 1906-8; served in the State senate, 1908-12; represented the senate in 1911 on the New York State factory commission; delegate to the Republican National Convention at Chicago in 1912; elected as a Republican to the Sixty-third, Sixty-fourth, and Sixty-fifth Congresses (March 4, 1913-March 3, 1919). It was at the suggestion of my friend Mr. Hamilton that I became a candidate for Congress in 1918. I have always felt grateful to my friend for his steadfast interest in my political career. His sudden passing comes to me as a shock and a great personal loss.

I sympathize deeply with Mrs. Hamilton in her bereavement.

Mr. Speaker, I ask unanimous consent at this point that I may extend my remarks in regard to my deceased predecessor.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. WASIELEWSKI. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a talk I gave before the Wauwatosa "V" Club on December 15, 1941.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein and address by my colleague the gentleman from Washington [Mr. COFFEE] and two others on What Does Freedom of Speech Mean to Us Today?

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. KUNKEL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter from Dr. Robert Lindsay Rowland, of the Shippensburg Teachers College.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CLEVINGER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and include a resolution of the Defiance County Farmers' Protective Association.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MURDOCK. Mr. Speaker, on January 2 I obtained consent to extend my remarks as of that date but failed to do so before the end of the session. I again ask unanimous consent to extend my remarks at this time.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GOSSETT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address on the Bill of Rights by Dr. Judd, of the Texas State College for Women.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GUYER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter to the Washington News.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. STEVENSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and include a resolution of the National Grand Lodge of the Brotherhood of Railroad Shop Crafts of America.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

RESTRICTION ON CROP PRODUCTION SHOULD BE REMOVED

Mr. NELSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. NELSON. Mr. Speaker, the statement that food will win the war may be an exaggeration, but without food no war can be won. One of the most pressing problems now confronting the American people has to do with the production of sufficient food, not only for ourselves but for those with whom we are allied. In fact, of all the longrange problems, embracing not only the war period but the time when peace comes, as come it will, one of the most important deals with those necessities which our farms must supply.

With the greatly increased demand for foods, especially meats and dairy products, acreage restrictions of feed

crops should be liberalized, if not, in fact, entirely removed. With the Government calling for more beef, pork, dairy products, and so on, and at the same time unduly limiting the production of meat-making crops, is like working the engine against the brakes. It simply does not make sense. With the 1942 planning season near at hand, the sooner such changes are announced the more effective they will be. The farmers of the United States are always to be depended upon. All that they ask is an opportunity to do in the most effective manner what should be done.

Closely connected with increased food production is that of the farm-labor situation. With machinery prices almost prohibitive, and with farm implements difficult to secure, the farmer must more and more turn to manpower and horsepower. Millions of men, many of them from the farms, are entering the military service or accepting positions in defense industries, so the problem of farm labor becomes doubly serious. The talk of city farmerettes doing farm work does not appeal to the average farmer. Trained and experienced men are needed. My feeling is that it may be necessary for liberal exemptions to be made in cases of young men subject to military service so that many may, where consistent, be deferred for farm work. If not, I fear a very great shortage of help on our farms, when help is needed as never before.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

Mr. COCHRAN. Mr. Speaker, reserving the right to object, simply to ask a question, I should like to ask my colleague from Missouri if he does not think it would be well if some Government agency would see to it that the price between the producer and the consumer was held at a level so that the consumer would not be overcharged? Because if we could find some way to get part of what the purchaser pays the retailer the farmers would benefit to a considerable extent. His troubles would be at an end.

Mr. NELSON. Obviously, I agree. That has been one of our real problems.

Mr. COCHRAN. On investigation you will find there has been a real increase in the price of foods, but on the other hand if you look deep into this increase you will also find that only a small percentage of this increase went into the pockets of the farmers but into the pockets of those who handled the commodities after they left the hands of the producers. I want to afford as much protection to the consumer as is possible, and the way to do it is to try to prevent uncalculated-for profits for those who act as distributors.

[Here the gavel fell.]

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, in H. R. 5727, I note that the Committee on Military Affairs has stricken out the heart of the bill, taking away from the Director of Civilian Defense the authority granted to him under Executive Order 8757. During the weeks of acute national emergency the Office of Civilian Defense has performed its many difficult tasks in a very satisfactory manner. Both nationally and locally its offices and personnel have tackled the problem of organizing the civilian population to face situations created by war conditions without panic and disorder in a most efficient manner. Why the work of this important agency should be disrupted at this point by placing it under another management is beyond me. The War Department—and I want to state that I have the highest respect for the leadership and personnel of our War Department—has more than its share of responsibility to carry at present and I do not see why we should burden it with another task which—as has been shown—can very well be taken care of by the present set-up. I honestly believe—and from discussions I have had with a number of people residing in various parts of our country I think the majority of our people agrees with me—that there is no necessity of disrupting the work of the Office of Civilian Defense by reorganizing it at this time. As far as I can see, the transfer of this agency to the War Department will only delay and confuse its important work and will do more harm than good. I hope and trust that the membership of the House will take all these factors into consideration when the bill is presented for disposition.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a letter I received in regard to the Farm Security Administration and the necessity for maintaining it.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota [Mr. BURDICK]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. WILSON. Mr. Speaker, at the conclusion of the regular business of the day and any previous orders heretofore entered, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. WILSON]?

There was no objection.

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my own remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. WOODRUFF]?

There was no objection.

[Mr. WOODRUFF of Michigan addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. LEAVY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a

eulogy recently delivered on the life of the late Victor P. Dessert by a former Member of this body and a former Member of the United States Senate, Hon. C. C. Dill.

The SPEAKER. Is there objection to the request of the gentleman from Washington [Mr. LEAVY]?

There was no objection.

(Mr. BENDER asked and was given permission to extend his own remarks in the RECORD.)

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my own remarks in the RECORD and to insert some rate tables, also a statement from the Tennessee Valley Authority.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

There was no objection.

[Mr. RANKIN of Mississippi addressed the House. His remarks appear in the Appendix.]

PROGRAM FOR NEXT WEEK

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. MARTIN]?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I take this time to ask the majority leader if he can tell us what legislation we will have up for consideration tomorrow and for next week?

Mr. McCORMACK. Tomorrow the daylight-saving bill reported by the Committee on Interstate and Foreign Commerce will come up. Monday will be District day. On Tuesday a bill will be considered from the Committee on Immigration. That bill was to come up before the recess, but we held it up until after the recess.

Mr. MARTIN of Massachusetts. Will the gentleman tell us what that bill is?

Mr. FISH. That is the Dickstein bill to cancel certain citizenships.

Mr. McCORMACK. The citizenship of certain persons.

Mr. MARTIN of Massachusetts. Is that a controversial bill?

Mr. McCORMACK. I understand that there will be an amendment or amendments offered that might satisfy some who were for the bill but who had honest and reasonable feelings of opposition to the extent of the bill.

Mr. MARTIN of Massachusetts. The bill will come up under a rule, anyway?

Mr. McCORMACK. Yes; it will come up under a rule.

Mr. DICKSTEIN. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from New York.

Mr. DICKSTEIN. We had a meeting yesterday and invited the Members of Congress who gave testimony on the matter to attend. We agreed on certain amendments which we shall offer when the bill is read for amendment. That was agreed to by everybody.

[Here the gavel fell.]

CIVILIAN DEFENSE

Mr. MAY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5727 to provide protection of persons and property from bombing attacks in the United States, its Territories and possessions, to authorize the procurement of materials and supplies, and for other purposes; and pending that motion, may I state that it has been agreed by unanimous consent that general debate be limited to 2 hours, 1 hour to be controlled by the ranking Member on the minority side, the gentleman from New York [Mr. ANDREWS], and 1 hour by myself.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5727, with the gentleman from Illinois [Mr. BARNES] in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. MAY. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, as chairman of the House Committee on Military Affairs, I desire to make a very brief explanation of the pending bill and to give a little of the history of how it happens that this bill has come to the floor of the House in its present form.

Some time last June the President of the United States, by Executive Order No. 8757, set up a civilian-defense organization and appointed a director of civilian defense with power to make appointments of the necessary clerical and other assistants he might need to administer whatever legislation the Congress should enact. This bill itself is nothing more or less than a bill to authorize an appropriation to meet the charges and expenses of administering the civilian-defense program.

The House Committee on Military Affairs gave this matter very careful study and made some vital changes in the form of the bill as passed by the Senate. After hearings and considerable executive consideration of the bill, the committee decided to limit the amount of the appropriation. Whereas the Senate bill left it to the Committee on Appropriations to appropriate whatever amount they deemed necessary, your committee limited the amount to \$100,000,000, this for the reason that the testimony before the committee was rather definite and certain that in the aggregate the expenses of the organization ought not to exceed approximately \$92,000,000. The committee in its fairness and in its effort to go along with the protection of our civilian population from injuries from bombing or other causes incident to the war gave this organization a leeway of about \$8,000,000 as a margin upon which to work, with the hope that that would be sufficient. Of course, that limits the power of the Committee on Appropriations to appropriate beyond \$100,000,000.

Mr. WOODRUFF of Michigan. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from Michigan.

Mr. WOODRUFF of Michigan. The \$8,000,000 was in addition to what the representatives of that particular activity had suggested as the probable maximum cost?

Mr. MAY. That is right. We thought there ought to be a little margin so that if the organization exceeded in some particular the amount they expected to expend, the Committee on Appropriations would have authority to appropriate that amount.

Mr. WOODRUFF of Michigan. That is a very proper allowance, I think.

Mr. EATON. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from New Jersey.

Mr. EATON. Will the gentleman inform the House how this organization has been financed up to this time?

Mr. MAY. I am sorry to say to my good friend that I do not know how it has been financed, but I suppose it has been financed out of funds that have been made available by the Congress to the President under previous legislation, because I am sure he would not pay it himself and he would not undertake to administer it with funds that were not lawfully available.

Mr. CULLEN. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from New York.

Mr. CULLEN. Why is the Director of Civilian Defense removed, under this bill?

Mr. MAY. I was just coming to that. When the House committee reached the part of the bill which provides for the appointment by Executive order of a civilian director, it struck out the phrase "Director of Civilian Defense" and inserted the phrase "Secretary of War." Of course, this was due to several considerations that were under discussion. As I recall, one of them was to the effect that the present Director of Civilian Defense is an extremely busy man, with a tremendous job on his hands as mayor of New York, and he possibly could not give to the civilian defense organization the time that some thought he should. Another consideration, the controlling one, I think, was that they thought that all the activities in defense of the people of this country ought to be under the War Department rather than separate from it.

My view, however, on that subject is this: Unless we intend to adopt a system in this country like Bismarck sponsored in Germany three-quarters of a century ago, and militarize the whole country, it would be well that when we are dealing with fire-fighting apparatus and with bomb protection and other things that are not strictly military, we confine them to civilian activities and separate them from the War Department.

Mr. CULLEN. The gentleman will admit that the civilian authorities have done good work.

Mr. MAY. Yes; the civilian work up to date, I think, has been fine, and it has all been voluntary and without compensation, wholly by patriotic persons eager to serve their country in these troublesome times.

Mr. HARNESS. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to my colleague on the committee.

Mr. HARNESS. Mr. Chairman, I ask you to yield merely for the purpose of telling us, if you can, whether or not any of the money that is authorized to be appropriated might or will be used to help the people outside this 300-mile radius on each coast. For example, I am wondering if any of this money will be used to protect the people at Charlestown, Ind., where we have built one of the largest powder plants in the United States, or whether or not any of it will be used at LaPorte, Ind., and Madison, Ind., where the Government has spent millions and millions of dollars and built large projects that any enemy who wanted to bomb this country would first strike.

Mr. MAY. I always appreciate the courageous interest of my colleague from Indiana in his own people and in the people generally, and he has been very vigilant in his efforts to see to the proper writing of this legislation, but I think the gentleman will recall that Mayor LaGuardia, when he was before the committee, testified to the fact, and very sensibly so, I think, that they had established, or would establish, an area around the United States which anticipates, of course, that if we are ever bombed or injured it will be within a radius of 300 miles inland. Beyond that, he said, that all industrial centers of importance would be given protection, but the House committee, in its wisdom, and I think very wisely, said that none of this equipment should be furnished to either the city of New York or the city of Washington, the city of St. Louis or any other city in this country, that was financially able to furnish its own equipment. I am quite sure that the funds will not be used to the exclusion of any section of the country in favor of some other section of the country.

Mr. HARNESS. I just want to make this observation in that connection. One reason I believe the War Department should administer this program is that they are interested in protecting these great centers that are not within 300 miles of either coast. My recollection of Mr. LaGuardia's testimony is that this was to be used for protecting the people within 300 miles of each coast and leaving the others to their own resources.

Mr. MAY. I hope my colleague will read the record again, where he will find he is entirely mistaken, but let me get over one other point before I get away from this question.

Mr. CULLEN. Mr. Chairman, will the gentleman yield for one further question?

Mr. MAY. Yes; I yield.

Mr. CULLEN. Was this a unanimous report of the majority and the minority members of the committee?

Mr. MAY. No; it is not a unanimous report.

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I yield myself 5 additional minutes.

Mr. CULLER. Mr. Chairman, will the gentleman yield again?

Mr. MAY. I yield to the gentleman from New York.

Mr. CULLER. Am I correct in my understanding that the committee felt that

it was logical to let these expenditures reside in the discretion of the Office of Civilian Defense, but because of the personality now in control of that branch, that it should be lodged with the War Department?

Mr. MAY. I do not care to discuss that matter at this time.

Mr. CELLER. We would like to get information on that subject, because it is very important, particularly to us who come from the city of New York, whose mayor is also the officer of civilian defense.

Mr. MAY. I think that matter will come out in debate without the chairman of the committee having to state everything that happened in the committee and I will be obliged to decline to answer that question now.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. MAY. I will yield to the gentleman in just a moment after I get in one or two thoughts here. I do not want to take up all my time answering questions.

The Secretary of War was asked whether or not he wanted to administer this act and whether or not he had the facilities with which properly to do it. His answer was that he did not have the facilities and neither did he have the time and that the task thrust upon him by the Congress in three declarations of war had made it imperative that it be given to the Civilian Defense organization as set up by the President, and I have always liked to follow the lead of the Secretary as far as I can. There is a vast difference now and when the bill was originally reported by your military committee. We have since then voted two declarations of war that has thrust us into a terrible world-wide war. Our Secretary of War has more burdens of a military character than he can easily endure and I do not wish to tie his hands or further burden him.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. MAY. Yes.

Mr. LUTHER A. JOHNSON. Do I understand, from the statement made by the chairman of the committee, that it is the recommendation of the War Department that they do not want to exercise the functions under this civil-defense organization?

Mr. MAY. That is correct, although the War Department is cooperating with the Civilian Defense organization.

Mr. LUTHER A. JOHNSON. And as to the provision of the bill which states that this matter should be turned over to the Secretary of War, the Secretary says he does not want it.

Mr. MAY. That is correct.

Mr. DICKSTEIN. Mr. Chairman, will the gentleman yield?

Mr. MAY. Yes.

Mr. DICKSTEIN. Does the gentleman know that a civilian-defense organization in every hamlet and every city and village throughout the country has organized its fire department, and has its proper stations and proper instructions, something the War Department could not possibly manage, if they controlled the situation in respect to civilian defense?

Mr. MAY. I think it would be rather expensive for the War Department to go out into my district in the mountains, where I know that in every town in my district they have organized a civilian-defense organization under a civilian corps. To do so through a military organization might disrupt in many ways the splendid Civilian Defense organization now set up.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. MAY. Yes.

Mr. DONDERO. It so happens that I come from the metropolitan area of the city of Detroit, where our industrial activities are at a maximum. I have inquiries from communities adjoining the city as to whether or not they would be furnished with additional fire equipment in case there was need for it. Will such equipment be furnished or loaned to the communities?

Mr. MAY. It will be loaned to the communities not able to furnish it themselves, and if the city of Detroit finds itself financially embarrassed and cannot do it, then of course the Civilian Defense Director will order the necessary equipment, and furnish it to that city, with the understanding that the city will pay for it when and if it can.

Mr. DONDERO. This does not come from the city of Detroit but from these municipalities on the outskirts of the city of Detroit, and they are not able to do it.

Mr. MAY. The gentleman knows that we would not have any director who would not protect those areas.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. MAY. Yes.

Mr. CRAWFORD. I rise to serve notice that in my State and in my district, in particular, this job has not been done. I have just spent 10 or 12 days there, and I inquired into it specifically. I am in favor of the committee bill here presented, and I am for putting this in the hands of the War Department, where it belongs. I think the War Department should assume the responsibility.

Mr. MAY. The gentleman, of course, understands that it is a huge task. They have only been at it a short time, and they have probably done the best that they could.

Mr. CRAWFORD. That is the reason I want the War Department to undertake it.

Mr. GIFFORD. Is it possible that the War Department would have an organization not so busy as the mayor of New York and the lady of the White House? I thought they were very busy. Have they the facilities as compared to the War Department?

Mr. MAY. If the gentleman would go out into the field and examine some of these cantonments and find that the Army is feeding and clothing and watering and taking care of about a million and a half men—

Mr. GIFFORD. I did that.

Mr. MAY. He would discover that the Army has a tremendous task on its own hands without assuming this added burden.

Mr. GIFFORD. Are not these others very busy themselves?

Mr. MAY. They are busy.

Mr. GIFFORD. I hear they are.

Mr. MAY. I think the gentleman knows Mr. LaGuardia well enough to know that as long as he was a Member of this House he did not have any hours of work. He did about as much work as any two of us usually, and he is still at it, and he rolls over and over like a wheel in going, and never loses a minute's time, and since the President set up this organization I think it is a rather strange thing for the Congress to summarily dissolve it by legislation.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. MAY. Yes.

Mr. CELLER. What is the system in England with reference to handling work of this type? Is it done by civilians?

Mr. MAY. It is based on this plan here—that is, the civilian organization.

Mr. CELLER. That is a civilian organization?

Mr. MAY. In connection with the Red Cross and other voluntary-service organizations.

Mr. CELLER. Then the gentleman's bill is inconsistent with the English system? Is that correct?

Mr. MAY. Yes.

Mr. CELLER. It is inconsistent with it?

Mr. MAY. Yes.

Mr. CELLER. I do not know that the gentleman gets my question. Is this bill consistent with the English system?

Mr. MAY. As a matter of fact, I do not know what the English system actually is, but I do know that the testimony before our committee is to the effect that they are following the English system in the original draft of the bill and that they have profited by their experience in dealing with the English system. That was the Director's testimony, and this pending bill would make a military unit of it.

I wish you would just let me take about 1 minute to make an explanation of one thing that has been done to this bill by the House committee. Generally speaking, I would say that the action of the House committee is to the effect of completely dethroning the civilian defense organization as set up by Executive order of the President. If the Congress is going to be permitted to appropriate under this legislation, they cannot appropriate to the War Department for this, because this is the civilian defense organization.

The CHAIRMAN. The time of the gentleman from Kentucky has again expired.

Mr. ANDREWS. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I would like to review the general situation on this bill, if I may. It seems to me the time element has had something to do with it. In the first place, this bill was originally introduced in the House on September 29, and all the consideration which the House committee gave to this bill was prior to December 7, and the declarations of war. The bill itself was reported favorably to the House on November 26.

I mention that because I know it is true in my own case, and I think it is true of a great many members of the committee, that there has been considerable change of opinion on it.

I assume that most Members of the House realize that the Senate has passed a bill similar to this one. The only real difference between the Senate bill and the bill which the House Military Affairs Committee brings before you today is that the Senate bill places the administration of the act under the Civilian Defense Director. The House bill places it within the control of the War Department.

If you will study the situation on any Atlantic seaport or Pacific seaport you will realize that today the key man in any city is that man who controls military information and the anti-aircraft protection. Fundamentally, all control runs back to him. It does in the city of New York. Unfortunately the personality of the mayor of the great city of New York is of necessity inserted into this situation. I have talked to him about this bill. I have great respect and admiration for his capacity, for his ability, and for his energy. I daresay there is not a harder working man in the United States, but I feel certain that if he does not today he will soon realize that he cannot administer this act and continue to be the mayor of New York City, which he has been. I also feel certain that if he does not realize it, the President ought to make him realize it.

Since the committee reported this bill we have had further discussions among ourselves. I think I am perfectly free to make this statement, and I do this, of course, on my own responsibility: I believe that if the committee met this morning two-thirds of them would favor a committee amendment—of course, it cannot be offered as a committee amendment, but it will be offered by the gentleman from Pennsylvania [Mr. FADDIS]—extending the scope of this bill to the extent of making it mandatory that an additional Assistant Secretary of War be appointed for the complete administration of civilian defense in this country. While I did not look upon it with favor at first, and while I happen to know that Mr. Stimson has not seen fit to express himself, I feel certain that any man who has any conception of what civilian defense may be in the future, what he may be obliged to do under it, will recognize that sooner or later—and why not now—we must have an Assistant Secretary of War or someone in an official capacity in Washington charged with the entire administration of the program.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield.

Mr. MAY. I think the gentleman will agree with me readily that Secretary Stimson is not in a position to express any view about this thing.

Mr. ANDREWS. I was under the impression that I inferred that.

Mr. DICKSTEIN. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield.

Mr. DICKSTEIN. Assuming that later on the mayor of the city of New York should see fit to withdraw as head of the civilian defense, and this bill is passed, it will go back to the War Department under this bill?

Mr. ANDREWS. An Assistant Secretary of War would be appointed. Personally, I would not be at all disappointed to see Mayor LaGuardia appointed as Assistant Secretary of War in charge of civilian defense. I think he would do a fine job.

Mr. DICKSTEIN. Do you not think, coming from New York and knowing, as you do, the set-up of the present defense in every community in which the mayors of every city, under the direction of the head of civilian defense, have organized an army of civilians, ready to defend their cities with their lives, that that would be the proper place where it should go instead of the War Department, with more red tape and more red tape, because today you cannot get head or tail down in the War Department?

Mr. ANDREWS. I am sorry to say I do not agree with the gentleman.

Mr. DICKSTEIN. That is a matter of opinion.

Mr. THOMAS F. FORD. Will the gentleman yield?

Mr. ANDREWS. I yield.

Mr. THOMAS F. FORD. The gentleman pointed out that because Mayor LaGuardia was very busy, it was improper to ask him to shoulder this task. Does it naturally follow that you have to put it in the Army on that account?

Mr. ANDREWS. It seems to me that in every direction it leads to the Army before you get through.

Mr. THOMAS F. FORD. The Army's job is the defense of the United States in a military way.

Mr. ANDREWS. That is correct.

Mr. THOMAS F. FORD. The mere fact that they will control the anti-aircraft guns will have nothing to do with ambulance service and fire service and such things. To put it in the Army would be to militarize the whole country, and we do not want that.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield.

Mr. CELLER. Does the gentleman think it is logical to legislate because of personalities? Secondly, what will be left in the Office of Civilian Defense if you withhold from this entity all these appropriations? What will the Office of Civilian Defense have to do?

Mr. ANDREWS. I assume that the Office of Civilian Defense would be promptly taken over by the Assistant Secretary of War.

Mr. CELLER. Have we any assurance of that?

Mr. ANDREWS. It is the perfectly natural thing to expect.

Mr. CELLER. We are not setting up an Assistant Secretary of War here.

Mr. ANDREWS. I have already stated that such an amendment would be offered by the gentleman from Pennsylvania [Mr. FADDIS]. I have attempted to give my picture of the bill. I believe the amendment should be supported.

Mr. DICKSTEIN. Mr. Chairman, will the gentleman yield for one brief question?

Mr. ANDREWS. I yield.

Mr. DICKSTEIN. In my own group a civilian-defense program has been mapped out and places of safety and shelter designated for everybody in the District.

Mr. ANDREWS. So much the better.

Mr. DICKSTEIN. The War Department could not possibly do that. The people have even gone into their own pockets for the construction of shelters, and I am sure they are satisfied with the present set-up.

Mr. ANDREWS. Obviously the War Department will take that all over.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield.

Mr. VORYS of Ohio. Is it contemplated that the \$100,000,000 here authorized will provide all of the civilian defense that the various communities wish to install? This would not begin to pay for it.

Mr. ANDREWS. I do not believe that is the notion. Whether it will pay for it or not, it is a start.

Mr. VORYS of Ohio. Is this supposed to pay for all of the civilian-defense efforts of all the communities of the United States?

Mr. ANDREWS. I do not believe that is the contention. It is a start. It will be used to buy fire equipment, gas masks, to give educational orders and many things of that kind.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield.

Mr. ELSTON. It is fair to say, is it not, that the testimony before the committee was to the effect that this \$100,000,000, or the greater part of it would be consumed in the purchase of gas masks, fire equipment, and for a few educational orders?

Mr. ANDREWS. I believe the gentleman is correct.

Mr. ELSTON. No provision is made that this \$100,000,000 shall be used for the erection of shelters or any other form of protection for the civilian population.

Mr. ANDREWS. The gentleman is correct.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield.

Mr. GIFFORD. Speaking for the right arm of Massachusetts, comprising 15 towns, all of which were represented at a meeting, they have raised fairly large sums for civilian defense. We are doing pretty well and we are interested. We are in the path of any enemy air attack on Mitchel Field. We are watching, therefore, for Mitchel Field today. We are interested in civilian defense. I express the hope that the heads of these organizations will not be selected because of social position. The lady in the White House—who is her assistant?

Mr. ANDREWS. I could not tell the gentleman.

Mr. GIFFORD. Mrs. Morgenthau, is it not? I have nothing against these delightful ladies, but we have a suspicion

that social position has something to do with it. I rather think there are Reserve officers too old for active service yet who would be highly competent for this job.

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. KILDAY].

Mr. KILDAY. Mr. Chairman, the most important thing in connection with this legislation is that something be done without further delay. There is tremendous responsibility on all of us with reference to providing civilian defense, but up until now the job has not been done.

I am the author of the amendment which struck out the Office of Civilian Defense and inserted the Secretary of War. In offering this amendment I had no interest in the personalities which have been injected into the debate on the bill. There are certain fundamental things which should be considered in connection with this bill and which I feel the House should act upon. In the first place, civilian defense is one of the duties of the Army just as definitely and just as positively as the defense or employment of the military personnel can be. That is a matter upon which all military men are agreed. They are not free to talk because Army regulations prohibit them from testifying in opposition to a bill supported by the Department. If free to talk, however, they would all agree that the defense of the civilian population is one of the duties of the Army of the United States. That has always been true, but much more so now that civilians are the object of attack just as much as the military personnel. This is the first fundamental thing involved, and I may state further that we can all appreciate right at this time that certain preparations have been made for the defense of the Capital against air attack. You do not know what they are and I do not know what they are. The Army officials charged with the defense of the city of Washington do know what these preparations are, and they are the only ones who do. How can there be an effective civilian agency charged with the defense of the civilian population and the duty of placing the civilian population in such position that it will not be in danger of our own gunfire when the civilian organization does not and cannot know what the defense plans are? The Army must be in charge of placing the civilian population in such position that civilians will not be within the range of our own anti-aircraft guns which now surround this Capital City.

Whether the War Department wants to assume this duty or not, whether the letter which will be produced here from the Secretary of War states that they do not want it or cannot carry it out, is beside the point. It is definitely and positively their duty to do it, and, whether they want to do it or not, they must be compelled to undertake this military duty which belongs to them.

There is another matter here. The more you separate the obligations and the duties involved in this thing, the less coordination you will have. If you will

refer to the hearings, you will find one of the principal items sought under the bill in the \$100,000,000 appropriation is gas masks, and particularly educational orders to train factories and tool them so that they can turn out these gas masks. On the other hand, you will find that the Army now has on hand some 3,700,000 gas masks, with an Army of 1,700,000. The Army has developed an industry in the United States capable of turning them out in quantity at one-half the cost that they paid for the ones they have had manufactured for the military personnel. I believe you will find they are now in position to turn them out on a minute's notice at the rate of 90,000 a day. While they had this production all keyed up and ready to go, the Director of Civilian Defense came before our committee and talked at length about educational orders to train factories to make gas masks. The Director did not know, and would not know, that we already have the industry organized in the United States.

Here is another thing: If the Congress is going to do its legislative duty, it ought to do all of it. The bill as presented to the committee called for recognition of an agency created by an Executive order and for the placing at its disposal originally of an unlimited amount of money. Under the bill reported by the committee this is limited to \$100,000,000. Here is an agency not created by an act of Congress, here is a director not elected by the people or confirmed by the Senate, who is given power to expend \$100,000,000. I know of no other instance, even in the defense program, in which any person filling an office created by Executive order, who has neither been elected nor confirmed by the Senate, has the power to expend public funds.

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. KILDAY. Mr. Chairman, in each instance this authority is exercised under the responsibility of some officer created by law, whether under the Constitution or by statute. It is a dangerous departure for us to take at this time in creating a precedent. If we are going to pass such authorization, if we are going to discharge our legislative duty in this regard, let us sit down and write a bill creating the Office of Civilian Defense and by statute define its duties and powers and create the office of the official who will exercise them. We go further than that here. If you will read the last two paragraphs of this bill you will find that this officer, neither elected by the people nor confirmed by the Senate whose office has not been created by law, is given the power, if the Office of Civilian Defense stays in here, to make regulations, the violation of which is made a penal offense under this bill. The violation of the regulations would be punishable by fine and imprisonment. Here we are giving the power to a man whose office has no legal existence as far as this legislative body is concerned, to create criminal offenses.

During times of war we are going to have to live under many military regulations. It may be that on many occa-

sions in this Capital City we will have to live under martial law. That cannot be helped. That is an incident of war. The Military Establishment and the War Department has the power to make those regulations and to carry out martial law. Why should we set up an agency separate from the Army which will have the power to make further regulations for us to live under? We will then be living under two authorities, one martial law and the other a civilian organization making penal offenses.

Mr. MAY. Will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Kentucky.

Mr. MAY. Does not the gentleman believe the President of the United States, under his constitutional power as Commander in Chief of the armed forces and under numerous acts of legislation passed by this Congress, has the power to appoint a civilian director?

Mr. KILDAY. I have not raised that question. Of course, he has the power to create the Office of Civilian Defense. But this Congress has not until this minute passed any law authorizing any of those officers, created by Executive order, to expend public funds. They are operating either under the constitutional power of the President as Commander in Chief of the Army and Navy and as President of the United States, or they are acting in accordance with some authority delegated from one of the Cabinet members. They do not act upon their own responsibility.

[Here the gavel fell.]

Mr. HARNESS. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. ROLPH].

Mr. ROLPH. Mr. Chairman, whether Mayor LaGuardia or the War Department administers this act is something for others to decide. What we need is action. It seems so futile to hold this matter up by arguments. We are at war.

My home city of San Francisco is the focal point for all activities on the West coast, as well as for the entire Pacific sphere of operations.

Not only San Francisco, but all the cities and target areas in that vulnerable section are wiring asking that we act at once.

The emergency equipment, apparatus, gas masks, and medical supplies which will be furnished under authority of this bill are requested now.

The citizens in the different communities are being thoroughly organized to take care of all eventualities in case of attack, but the local authorities simply have not the funds to furnish the supplies.

Mayor Rossi has appointed Chief of Police Charles Dullea coordinator of all civilian-defense activities for San Francisco. Chief Dullea is a man of action—aggressive, resourceful, and fearless. He never shirks.

He typifies the type of man selected in other communities, and Congress may rest assured supplies and facilities allotted to the several areas will be wisely and judiciously distributed.

The black-outs in our city have been perfected, and latest reports are that what little confusion occurred when the

first black-outs were found necessary has been entirely eliminated and the last two have been 100 percent.

Herbert Morrison, Britain's Minister of Home Security, said in an interview with Miss Inez Robb, London correspondent of International News Service:

First. Every citizen must play a part in any successful civilian-defense program. Every citizen must feel he has a share of responsibility in the set-up.

Second. You have such long stretches of coast. In a way, that makes your problem both more difficult and yet easier than ours. More difficult because of the uncertainty as to where the enemy will strike. My best practical advice on the subject would be first to study carefully where the most probable areas of attack lie and, secondly, to try to visualize and prepare for the problems that would arise from such attack.

Third. Certainly all factories must be blacked out and probably all danger zones.

Fourth. Any attack might be made with incendiary bombs. Nothing is more important than an adequate watch over and protection of such districts. Remember incendiaries can and do come by the thousands.

Fifth. Also, it is absolutely essential to give people who have been bombed out of their homes the feeling that they will not be permitted to suffer destitution. Give them the feeling that they will be stood on their feet and are not going to be deserted when they need aid the most. Above all, cut the red tape and see that the bombed-out persons are not handed by one agency to another, passed from one board to another board. Get something done for them immediately. Try to make the process as short and sympathetic as possible. Nothing is more disheartening to bombed-out people than to stand in line after line, talking to groups of officials.

Sixth. Until your authorities contradict me, I shall have great faith in skyscrapers. It is our experience here that a steel-frame, concrete-reinforced building withstands a bombing better than any other type of structure.

Another pressing reason why this measure should be passed at once is the question of priorities. While there is no reason to believe the orders will be delayed downtown, still it takes time to place the requisitions, manufacture the articles, have them packed and shipped, and finally delivered to the general public. One month has elapsed since the bombs fell on Pearl Harbor.

My colleagues, I hope you will pass legislation for aid to civilian defense at once.

Mr. MAY. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Chairman, I think we must all be pretty well agreed on the emergent need for this sort of legislation. It is a very different situation today in the United States, in fact, in the world, than that which existed on October 9, when the Committee on Military Affairs was holding hearings on this bill. Likewise, a very different situation exists now to that which prevailed when the bill was reported a few days after that time.

I am one of those who feels, and I am sure you agree with me, that the situation is serious and that the responsibility is ours. Something ought to be done immediately in order to straighten out this apparent tangled situation that exists in the administration of civilian

defense. I am sure I speak the sentiments of every Member of this House—I know I speak my own—when I say that this is a lot bigger question than personalities. I regret very much that in the committee—and I anticipate in some respects on the floor of this House the same thing will occur—questions of personalities entered into the discussion of this legislation. I am one of those who believe that, in view of the unity that now prevails throughout the country and the building up of public sentiment for an efficient administration along all lines, the matter of civilian defense is going to work itself out, so I do not want to get into a discussion of that question unless forced to do so.

I disagree with my esteemed friend and colleague from Texas that civilian defense is necessarily a matter of military defense. He, or perhaps it was the gentleman from New York [Mr. ANDREWS], made mention of the fact that right around this Capitol and around the office buildings at this moment are certain anti-aircraft guns and other equipment for the defense of this Capitol and of this city. I call the attention of the gentleman to the fact that every one of these guns is manned by a soldier. When it comes to the absolute military defense of this Nation, the Army is in charge, do not forget that—whether it is in Washington, or in Buffalo, or New Orleans, or wherever it is. The Army, the Navy, the Air Corps, the Coast Artillery are looking after the military defense of the country.

This is the situation: Civilian defense in the main deals with what? Fire departments, water departments, hospitals, ambulances, the handling of the civilian population, fires in cities, forest fires, black-outs, air-raid shelters, and distribution of gas masks. Are you willing to turn everything in the United States over to the military? I yield to no man on this floor in my friendship and loyalty to the War Department. I yield to no man in this House in my advocacy of national defense at all times. This is not only true now but it has been true in the years that are gone, including the 11 years I have been in this body and on the Committee on Military Affairs. But I am not willing to completely militarize this country and say that I want the military to run the water department and the fire department in my own little city of El Paso, of which I once happened to be the mayor. That is what it will result in if you adopt this amendment, and we might just as well face the music.

My Commander in Chief, through the Secretary of War, who is charged with the military defense of this country, only the day before yesterday, on January 6, wrote an official letter to the gentleman from Kentucky, Hon. ANDREW J. MAY, chairman of the Committee on Military Affairs. I have a copy of this letter in my hand, and I shall read these few sentences:

The War Department believes that it should not undertake added duties which the amended House bill would oblige it to assume. The facilities, supplies, and services which may be secured under the authorization would require the diversion of a great number of military personnel from their primary mission of combating the enemy or

preparing for such combat. The Army has no storage facilities which can be made available nor is its distribution system suited to storage and distribution of supplies to civilian communities. The military supply system is organized to serve troops in training and combat areas which are usually distant from centers of population. Since the types of supplies required for the protection of the civilians vary from those required by military personnel and must be stored and distributed in thousands of communities which may be removed from military areas, a separate supply system would be required. This system, if operated by the Army, would require great numbers of military personnel.

In view of the present local civilian-defense organization established throughout the country by the Office of Civilian Defense and its access to the services of existing volunteer organizations, it is probable that the facilities, supplies, and services could be effectuated in a shorter time and with less expense than they could were they undertaken by the Army.

Mr. Chairman, we are in the worst war in all recorded history. A different situation is prevailing today than when we reported out this bill on October 9. As for my part, I have confidence in the mayors, the sheriffs, judges, the American Legion posts, all patriotic organizations, and the home people, on this question of local self-government in the thousands of cities, communities, and villages throughout the country. As for me, I am still following my Commander in Chief and the Secretary of War on a matter of this sort. They are charged with the national defense. They are experts and I accept their advice.

You have this situation, too. If we are to believe the message of the President delivered from that rostrum 2 or 3 days ago, we may find ourselves fighting in every part of the world. We are going to enlarge our Army very materially. We do not have enough personnel now to carry on the war we are going to have to engage in. We have raised and lowered the draft age in order to get a larger Army. If you amend this bill, covering functions primarily the duty of every community in the United States through its mayors, its fire chiefs, its water superintendents, its local, city, and county hospitals, its ambulances, and its fire-fighting equipment, covering purely civilian affairs in local communities, and turn these functions over to the Army, and drag into every community of the United States Regular Army personnel, when they are needed to fight, when they are needed for combat service, then you are just going to almost disrupt your Army, because it will take untold thousands of persons to do it.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. This is just a little off of what the gentleman is speaking about, but I notice that the bill is very restricted in that it provides only for protection against bombing. It seems to me that is probably one of the least likely troubles we shall have. How about sabotage and other troubles?

Mr. THOMASON. I do not recall the exact language of the bill, but my recollection is that it carries authority for the initiation of or at least cooperation

with all civilian activities in every community.

Mr. SMITH of Virginia. The bill does not provide a thing in the world except protection against bombing, and I wonder if the gentleman does not think we should extend the scope of the bill.

Mr. THOMASON. If it does not, speaking for myself, I would be very happy to do that. This bill was written some time ago and was reported to the House on October 9, when a lot of us did not take it too seriously. I suppose many gentlemen belonged to the group that believed there could not happen what occurred at Pearl Harbor, but I am convinced that when it comes to New York, San Francisco, Los Angeles, Seattle, Alaska, or Panama, we need not be surprised at anything, and everything possible must be done now for adequate protection.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman.

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I yield the gentleman from Texas 5 additional minutes.

Mr. MICHENER. The gentleman has made a very persuasive argument as to why this power should not be lodged in the War Department. The gentleman has discussed the personnel that will be required and I am wondering if the gentleman fully realizes that under the present set-up the directing personnel is composed largely of Mr. LaGuardia and Mrs. Roosevelt and that the real work is being done by civilians throughout the country. As I understand it, it is contemplated that regardless of who has control, the present plan will be carried out. If this is true, then if this matter is transferred to the War Department Mayor LaGuardia will act as the representative of the War Department and Mrs. Roosevelt will also be retained as the representative of the War Department. If an Assistant Secretary of War is placed in charge of the Civilian Defense that will compel Mayor LaGuardia to resign as mayor if he acts as Assistant Secretary of War.

Mr. THOMASON. I am sorry, but I cannot yield further.

Mr. MICHENER. Am I not right about that?

Mr. THOMASON. I do not know, but I would assume that the gentleman is going to support an amendment to set up an Assistant Secretary of War. That might mean the designation of Mayor LaGuardia in the office as Assistant Secretary of War, which is the very thing you Republicans are so bitter about.

Mr. MICHENER. I am asking the gentleman—

Mr. THOMASON. I do not yield further.

I think we can assume, or, as we say down in west Texas, we can operate on a hunch that when this is all over and this storm has passed regarding the form of this legislation there will probably be some resignations, and maybe a new Administrator. I hold no brief for the mayor of New York, although I will say this: I have seen him in this House

and I have seen him in New York and I know his record in World War No. 1, and I undertake to say that he is a highly patriotic citizen, with courage and ability and honesty of a very high order. And I undertake to say this, too: It was rather natural some months ago when there were many in this House who thought we would never be drawn into the war, and perhaps we rather ridiculed the idea at that time of civilian defense that he should be the one chosen for this reason. In addition to his wide and successful experience as soldier and legislator, he happened to be president of the United States Conference of Mayors, which is an organization of which the mayor of every city in the United States of over 30,000 people is a member. So it seems to me that it started out as a rather local, self-governing affair, and it would be natural that the president of that great organization, speaking for the mayor of my city, who is a member of the organization, that they should look to the mayor of New York for civilian defense, inasmuch as he is the mayor of the greatest city in this country. If some of you Members would lay aside your hatred and prejudice against LaGuardia and Mrs. Roosevelt, this bill would pass unanimously.

Mr. MAY. And it is a system of local self-government without military control.

Mr. THOMASON. I repeat to my chairman that I want the military to run the antiaircraft guns in Washington, I want them to run the Coast Guard and the Navy, I want them to provide border protection down where I live, and I want the Army to do that in the city of El Paso, but I do not want the Army running my water department or butting into the affairs of my chief of the fire department as long as he is doing a good job. The only thing in the world that the head of Civilian Defense has done—and I can show you report after report that they have filed—is that they have cooperated with the Corps of Engineers and they have cooperated with every local city and county, and this cooperation has only been in the matter of fire protection, water protection, providing gas masks, and kindred forms of civilian defense. Now, you go ahead and pass this bill and you will want the Army down in Georgia or out in Ohio or down in Texas to go into the distribution of gas masks in every community. When the mayors of all the large cities, plus the American Legion and the Veterans of the World War and the patriotic women's and men's organizations are cooperating in this work, why not, in Heaven's name, give them a chance to perform this function? The Army is going to be busy fighting. Surely we civilians can keep the home fires burning.

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I yield to the gentleman from Texas 1 additional minute.

Mr. COLE of Maryland. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Maryland.

Mr. COLE of Maryland. In view of the fact that we all now know of the

many ramifying and important activities of the civilian-defense program, and in view of the fact that the Administrator would have an advisory board or any advisory group that he may want, I hope the distinguished gentleman from Texas is willing to say that whoever administers this program should give his entire time to it.

Mr. THOMASON. I subscribe to that principle, but I do not happen to be Commander in Chief of the Army, and I did not have anything to do with naming Mayor LaGuardia, but as for me, I am not going to engage in any personalities in this discussion. I concur in the views of the gentleman from Maryland [Mr. COLE] that this is a big job in itself, and certainly being mayor of the city of New York is a big job, next to that of the President of the United States. I do not see how a man can physically perform the duties of both mayor of the city of New York and Director of Civilian Defense. That, however, is not my responsibility right now, and I am thinking of the great principle involved here, and I am not willing to militarize this country and say that the Army shall go into my city or into your city, into the city of Baltimore or any other city and take charge of its fire departments, its first aid, and the distribution of gas masks, and other activities that are purely civilian in nature. We must win this war. I plead for unity. I think we ought to follow the wishes and advice of the War Department.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. ANDREWS. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. LELAND M. FORD].

Mr. LELAND M. FORD. Mr. Chairman, I think this is a good bill, and I think it should pass. We in California are particularly interested in the bill. I wonder if there is enough money here to take care of those who really need it right now, and those who may need protection later. There should be two categories made up of those who may become the war front, such as the eastern coast or the western coast, and then those in the interior. I, for one, would not deny anything to those people who have plants in the interior, which should be protected. In California we have a peculiar situation. In addition to all of these plants, we have great areas that are covered with brush, not forests such as those in Pennsylvania and other States, but brush that, when lighted, cause tremendous fires. I occupied the chairmanship of the Los Angeles County Forestry Department 3 years ago, when over 19,000 acres burned and destroyed about 300 homes. There were 4,800 men engaged to control this fire. These fires can begin through shell fire or through sabotage, and we have to watch them to see that they are taken care of. In addition to these we have our great water systems; we have the Hetch-Hetchy in San Francisco and the one in Los Angeles; we have reservoirs, open siphons, and great ditches, many flood-control dams; and then we have tank farms and our oil industry. Those things have all to be protected. However, if the money is not

sufficient to give proper protection and meet the needs of the coasts which may become the war fronts, and of the interior, I think the bill at a later date can be supplemented.

In regard to the jurisdiction, this is a serious matter and it is something that cannot be temporized with. The people of the country have confidence in the Army. They know that the Army knows how to do it, and they are not inclined to experiment with somebody who does not know how to do the matter. That feeling is particularly true in California, and I think we should not gamble at a time like this on a bill like this, where the interests of so many people are at stake. The Army knows how, and we know that they can coordinate and correlate their efforts. I hope the bill as written will go through. I yield back whatever time I have left.

The CHAIRMAN. The gentleman yields back one-half minute.

Mr. MAY. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. Celler].

Mr. CELLER. Mr. Chairman, I rise simply to ask some questions and to get some real information as to the final opinion of the Military Affairs Committee. Does that committee really want the bill it reports, or does that committee want the bill that was reported out originally by the Senate? We ought to be enlightened upon that subject, and we have not been enlightened thus far. We have divergent views.

Mr. FADDIS. Mr. Chairman, will the gentleman yield?

Mr. CELLER. Yes.

Mr. FADDIS. The Committee on Military Affairs reported the present bill to the House.

Mr. CELLER. What was the vote? Can the gentleman tell?

Mr. FADDIS. I do not know exactly what the vote was, but the bill was reported by a majority of one.

Mr. MAY. It was reported out by a majority of one, with four members absent.

Mr. FADDIS. Does the gentleman from Kentucky care to give us the views of those four members?

Mr. CELLER. That was indeed a very, very close vote on this bill, and we ought to have an opportunity to hear some of the divergent views, so that we who are nonexperts, so to speak, can make up our minds what to do. I am in a quandary.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. CELLER. Yes.

Mr. ELSTON. When the bill was originally reported out by the Military Affairs Committee it was reported out by a unanimous vote.

Mr. CELLER. Apparently there has been a change of heart.

Mr. THOMASON. And I would like to say for the RECORD that that bill was reported out on October 9, before there was any expression from the War Department along the lines of the letter written the day before yesterday, in which the Secretary says that they cannot handle the matter, and what are we going to do about it?

Mr. CELLER. Then I think we should be permitted to express our views freely

and openly, and the members of the Military Affairs Committee should explain to us without fear or favor. This occurs to me definitely: We certainly should not legislate with any view of spite or with any view of hate or with any view of personalities. Either the Office of Civilian Defense is an appropriate and proper agency or it is not. We must determine that first. If it is an appropriate and proper agency, then we must give it appropriate appropriations so that it can function properly. If the head of that agency is not performing his duties properly—I have no knowledge that he has not—there is ample remedy. The President, who proposed him, can depose him. We should not attempt to depose anyone by indirection, by withholding appropriations from the O. C. D. and giving them to the War Department, especially since the Secretary of War in his letter practically says his Department should not have the bestowal of the moneys.

[Here the gavel fell.]

Mr. ANDREWS. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. Clason].

Mr. CLASON. Mr. Chairman, I am in favor of the passage of legislation providing adequate funds for the organization of civilian defense throughout the United States. The amount authorized to be expended for that purpose under the terms of this bill is \$100,000,000. Obviously, if the plans of the Director of Civilian Defense, Mayor LaGuardia, of New York, are to be carried out, much larger amounts will have to be authorized and appropriated in the future. The pumpers, hose, and other fire-fighting equipment which are to be secured under the program outlined by the Director represent an expenditure of \$57,338,842. This equipment can undoubtedly be used to advantage even if the enemy never reaches our shore. The emergency medical supplies are undoubtedly a first-class investment which will be used to good advantage during the next few months.

Already the Army has secured between three and four million gas masks for the men in service, while 3 manufacturing plants, including 1 in Massachusetts, have made and delivered 40,000 civilian gas masks. When the hearings on this bill were held before the Military Affairs Committee it was planned to purchase 5,000,000 of these masks after equipping 20 plants to manufacture them. At that time the cost of 5,000,000 gas masks and the manufacturing equipment was estimated at \$26,548,014. As 50,000,000 people live within 300 miles of the coast of the United States, it will be necessary for future orders to be placed for a sufficient number of these gas masks to supply the needs of this population under some future authorization.

The committee has written this bill in a form to place it under the War Department. I believe that the War Department can be of real service and save millions of dollars by acting as purchasing agent for civilian defense. It does not seem either necessary or wise to set up another purchasing bureau in the Government in view of the testimony which has been given to the committee by Maj. Gen. Edmund B. Gregory, Quartermaster General of the United States

Army. The War Department is ready, willing, and in a position to buy all of these supplies without any particular burden being placed upon its present facilities. This is shown by the testimony given on page 39 of the hearings, in the following language:

Mr. ELSTON. General, are there sufficient plant facilities for the production of all these items?

General GREGORY. Yes, sir; it is a question of material, available material. It is all standard stuff which is now being produced by commercial concerns, except the assembly. There is an assembly job on these trucks.

Mr. ELSTON. You would not have to spend any money, then, to expand existing plants?

General GREGORY. I do not believe so.

Mr. SMITH of Connecticut. They are probably pretty well slowed down by priorities?

General GREGORY. Yes; it would be just a question of obtaining material. The hardest thing to obtain is pumps, and they have plenty of facilities for making pumps now. It is just a question of getting material.

Mr. THOMAS. General, do you think that the War Department is properly equipped to take care of the purchasing of all these different things?

General GREGORY. Yes, sir; it would only be a percentage of what we are procuring now, and it is in line with similar equipment which we are now procuring.

Mr. THOMAS. Right along the same lines?

General GREGORY. Yes.

Mr. THOMAS. Do you believe that the present set-up for purchasing gas masks, clothing, and all the different things that are being purchased for the Army is satisfactorily working? The point I am trying to get at is, Would it be better for the War Department to do the whole thing alone, or continue on the present system of having the War Department and the Office of Production Management people dovetail into your organization? The Office of Production Management are in on almost every purchase.

General GREGORY. The Office of Production Management approves every procurement above \$500,000. In general, they accept our recommendations. The main divergence from our ordinary system of procurement is in the question of distribution of orders.

In view of this testimony, I believe that we should pass the bill in its present form, in order that the War Department may be the agent of the Government in expending not only the \$100,000,000 mentioned but the additional huge amounts which will undoubtedly be called for.

I join with others who have spoken before me in expressing my sincere appreciation of the fine work which has already been done by the Director of Civilian Defense, Mayor LaGuardia, and those who have acted with him. I believe that he has built up a spirit of cooperation in every community in the country. This bill will in no way affect the performance of the duties entrusted to the Director of Civilian Defense by the President. I am sure that the members of such great organizations as the State Guards which have been organized in the various States, the American Legion, the Veterans of Foreign Wars, and countless other national and local organizations, as well as millions of private citizens who have already made their services available, will continue their very effective work under competent leadership to assure to the civilian population of our country adequate protection and safety from enemy attacks. I believe that the amount of money authorized by this bill should be expended, even if no such

attack ever comes, because of the feeling of security which it will give to our people and thereby maintain the present high morale prevailing in the United States.

Mr. ANDREWS. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I have been deeply impressed by the statements made by the gentleman from Texas [Mr. KILDAY] and the gentleman from New York [Mr. ANDREWS], and I want to reiterate that I am in favor of the bill setting up control of all of this under the War Department. I think before we get through with this, if we have real war activity, bombings in this country, we will probably have a billion dollars in this undertaking instead of \$100,000,000.

I have submitted to the chairman a question, which I wish to offer now for the RECORD. It is prompted by the statement made by the gentleman from New York [Mr. ANDREWS] as to how the \$100,000,000 here provided for will be disposed of. My question is this: I understand that the medical and osteopathic general hospitals throughout the country are organizing emergency medical field units for civilian-defense purposes. A great amount of extra supplies and equipment will be needed and necessary for those hospitals carrying on that work, along with other hospitals not under the same supervision. Does this bill authorize funds to help defray the expenses of the added equipment and supplies for those hospitals?

Mr. MAY. It is my understanding that the bill authorizes a lump-sum appropriation of \$100,000,000, to be earmarked by the Appropriations Committee, which they usually do, specifying so much for certain purposes. But there is included in the estimate furnished by the civilian director for miscellaneous medical supplies, protective clothing, hospitalization, and so forth, \$13,069,927.41.

Mr. CRAWFORD. That is the figure I wanted to bring out. That is set out in the justification for the expenditure?

Mr. MAY. Yes, sir.

Mr. CRAWFORD. And as far as the gentleman knows that applies to all hospitals organized for defense purposes?

Mr. MAY. It applies to all hospitals, regardless of where they are, of a civilian character. It does not make any difference whether they are osteopathic or what.

[Here the gavel fell.]

Mr. HARNESS. Mr. Chairman, I yield myself 1 minute.

Further, in connection with the question you propounded to the chairman about where this money would be used to provide necessary things for hospitals, and so forth, I want to read from the hearings. Mr. LaGuardia was asked the question by Mr. THOMASON:

How many cities would that provide with the additional equipment you have in mind?

Mr. LaGuardia answered:

That would provide additional equipment for all cities of 2,500 and over, located within the 300-mile coastal strip of the continental United States.

In other words, the people who live outside that 300-mile zone would not ben-

efit under this bill if Mr. LaGuardia's plan is carried out.

Mr. CRAWFORD. May I ask the gentleman this question: In the concept included in the justification—in other words, the thirteen and one-half million dollars—does the gentleman understand that that concept of thirteen and one-half million dollars for hospitalization facilities, implements, purchases, and so forth, is limited to that 300-mile area?

Mr. HARNESS. That is my understanding of Mr. LaGuardia's testimony before the committee. That is why I asked the chairman of my committee the question at the beginning of this debate, whether any of these facilities and supplies provided for in this bill would be provided for the cities and towns outside the 300-mile zone.

Mr. CRAWFORD. Where the industrial centers are primarily located.

Mr. HARNESS. Yes; and these areas where the need exists.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. HARNESS. I yield.

Mr. MAY. Does the gentleman believe, bearing in mind that Mr. LaGuardia testified before the election, that the statements he made at that time would deter him from doing everything necessary to protect any city anywhere in the country and particularly a city like Detroit where they have all the national-defense industries of this country? Does the gentleman have that conception of Mr. LaGuardia or any other man who would administer this law?

Mr. HARNESS. I do not know what LaGuardia would do today. All I am doing is pointing out what he said in the hearings. He was limiting the \$100,000,000 to the area 300 miles inland from the coasts.

Mr. MAY. If the gentleman will pardon a further interruption, I have in my hand an estimate which came to me this morning from the Civilian Defense organization totaling \$231,887,000, and broken down into many items, including auxiliary fire-fighting equipment, miscellaneous medical supplies, protective clothing, hospitalization, gas masks for civilians, and so forth.

Mr. HARNESS. But all within the 300-mile limit.

Mr. MAY. No; it does not say that.

[Here the gavel fell.]

Mr. HARNESS. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. MERRITT].

Mr. MERRITT. Mr. Chairman, I believe it is hardly necessary for me to stand here and try to defend any one man, whether he be a Member of Congress in the past or present, especially Mr. LaGuardia. This legislation seems to have developed into a personal issue with many Members. I am the only Member on the committee from the city of New York, of which Mr. LaGuardia is mayor. Even though I opposed him in the last election, now, like every good Democrat, I am supporting him 100 percent in his mayoralty duties. I do feel, however, that the House bill which is before the committee this morning should provide for a head of civilian defense who can devote 100 percent of his time,

every minute of his time, to the Civilian Defense job. I daresay that any Member on the floor of this House would feel concerned if the mayor of his city were asked to do this job. The mayoralty of New York is a very big job, as some have said, perhaps the second most important job in the country; and the people of New York would like to see the mayoralty duties carried out by our duly elected mayor, the Honorable Fiorello LaGuardia, which he is qualified to do, as was testified at the last election.

I am sure we will not make this a personal issue. A great many things have taken place since we had the first hearings on this bill, so much so that now the job as Director of Civilian Defense should be considered as important as the commanding officer of any branch of our defense forces. Consequently the Office of Civilian Defense must be administered every minute of every day during the emergency period.

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. FADDIS].

Mr. FADDIS. Mr. Chairman, I believe the logical department to handle this legislation is the War Department. One of the duties of the War Department is protection, and this legislation is designed to assist in the protection of the civilian population in case any hostile activity should take place in this Nation.

The War Department is equipped to take care of the procurement of the supplies necessary to this activity. They are better prepared than any other department of the Government to store these supplies, to issue them and control them when they have been issued. I certainly believe the War Department has the confidence of the people of the United States as much as any department has and perhaps to a greater extent than most.

It is undoubtedly contemplated that whoever administers this law will take advantage of local organizations such as mayors, sheriffs, fire departments, hospitals, and similar organizations. I believe they will also avail themselves of the volunteer services of such organizations as the American Legion, and the Veterans of Foreign Wars. I certainly believe that at least the American Legion and Veterans of Foreign Wars will have a little more confidence in the War Department than some other department which may get jurisdiction over this legislation if we do not place it in the War Department, the Department of Labor, for instance.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. FADDIS. I yield.

Mr. ANDREWS. In connection with the remarks of the gentleman from Texas, who raised the issue of loyal American Legion posts and fire departments possibly not being included, does not the gentleman from Pennsylvania suppose and know that any Assistant Secretary of War charged with the administration of this program, whether he be LaGuardia or anyone else, would naturally utilize these services?

Mr. FADDIS. Of course, they would. It would be the most natural and desirable thing in the world.

At the proper time I intend to offer an amendment to the House bill as presently reported to provide an Assistant Secretary of War for Civilian Defense subject to confirmation by the Senate, his term to expire 6 months after the termination of any war in which we are now engaged. His duty shall be the carrying into effect the provisions of this legislation. Certainly anyone can recognize the fact that now we are actually in war the administration of this legislation will not be a part-time job for any man.

Indeed, it would not be a part-time job for any hundred men, for regardless of whether or not the effects of this war actually touch our shores or not, all of the necessary preparations must be made. Certainly the Congress of the United States, which is charged with the defense of the Nation, cannot at this time ignore the fact that civilian defense is one of the most important parts of all defense. Certainly when we are providing for the defense of the civilian components of this Nation, we would indeed be remiss in our duty if we did not so institute a development of civilian defense that we will have a proper man in charge of it, a man in whom all of the people of this Nation will have confidence, a man who will have all of the time there is to devote to the administration of his duties. I am not saying anything about any one who is connected with it at the present time, but I am quite sure that I voice the sentiment of those within the hearing of my voice when I say we believe it is a full-time job for an able man.

Mr. DONDERO. Will the gentleman yield?

Mr. FADDIS. I yield to the gentleman from Michigan.

Mr. DONDERO. Has any one given the House the benefit of what the experience has been in England under war conditions? How is it handled over there?

Mr. FADDIS. May I say that I am unable to tell the gentleman how it has been handled over there, but I am not willing to pattern everything we do in this Nation after the way the British have been doing it, because, after all, I think perhaps in the matter of civilian administration as well as in the matter of tactical administration we may be able to do it better than they have been doing it over there. I, at least, hope so.

Mr. GIFFORD. Will the gentleman yield?

Mr. FADDIS. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. It has been suggested that you utilize the existing organizations like the fire department and so forth. Under the civilian defense can they not only utilize them but order them? What powers do you have? Are we going to have a lot of captains, lieutenants, and majors running around our communities?

Mr. FADDIS. I think not. Under the terms of the bill no powers of that kind are granted.

Mr. GIFFORD. I notice some in uniform now.

Mr. FADDIS. I feel sure any move that is made along that line will be to secure the voluntary services of these various organizations.

Mr. GIFFORD. As the appointees have been set up by the States at the present time, they have the authority to dress themselves up in uniforms and wear badges.

Mr. FADDIS. I do not know anything about the States. We have 48 of them.

Mr. GIFFORD. Does this civilian defense contemplate such authority as that? Are they going to order these things to be done?

Mr. FADDIS. Not under the terms of this legislation, I may say to the gentleman.

Mr. GIFFORD. I doubt that very much. I think when they visit my community they will take orders.

Mr. COX. Will the gentleman yield for an observation?

Mr. FADDIS. I yield to the gentleman from Georgia.

Mr. COX. It seems to me that the weakness in our national unity is the lack of public confidence in those who are running the war machine. Many people still feel that advantage is being taken of the emergency to further socialize America. If this is a war activity, and I presume the gentleman agrees it is a war activity—

Mr. FADDIS. I do.

Mr. COX. Then why should it not be carried on by somebody who knows something about war?

Mr. FADDIS. That is the way I believe it should be carried on.

Mr. COX. In other words it should be under the War Department. If we win this war we must win it not with banjo pickers or piccolo players, but with hard, practical, brave men. I believe the country is tremendously interested in the adoption of the measure which the gentleman now advocates because it is sensible. It is doing war business in a warlike manner.

Mr. FADDIS. The gentleman is quite correct.

Mr. GIFFORD. One more suggestion. I regret very much that people will say that we inject personalities into this discussion, but when we know the party who is going to carry on, we have a right to our opinion. I remind the gentleman of Mr. Henderson, and how we subjected Mr. Henderson to criticism. If they want this job, and we know who they are, we have a right to do that. I could eulogize the mayor of New York, I am sure, but I would rather let Jim Farley do that.

Mr. FADDIS. May I say in answer to the gentleman that I am not proceeding on the assumption that Mayor LaGuardia is to continue in his present position, neither am I proceeding on the assumption that he is not. I am merely trying to vest control of this legislation where the people will have as much confidence in it as we can possibly give them.

Mr. GIFFORD. He is already there.

Mr. FADDIS. We are trying to vest it in the Secretary of War.

Mr. GIFFORD. We are; yes.

Mr. FADDIS. By this legislation, so that is what we are discussing at the present time.

Mr. GIFFORD. That prospect pleases, but when we see the action of the other body and we know who the conferees will be, then I am not happy.

Mr. FADDIS. If we can get a proper expression from the members of this committee and the Members of the House, perhaps it will assist in encouraging the conferees to do what is right.

[Here the gavel fell.]

Mr. ANDREWS. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. WILLIAM T. PHEIFFER].

Mr. WILLIAM T. PHEIFFER. Mr. Chairman, we are dealing here today with a stark and an urgent condition, not a theory, and I certainly hope we will not mistake the froth for the substance. The sole and entire purpose of this bill is to provide protection to the civilian population of our country against air raids which might be launched at any minute by our dastardly enemies.

Speaking subjectively and for my own district, the major portion of which lies along that great tidal estuary known as the East River of New York, extending from Long Island Sound to New York Harbor, we have there one of the most vulnerable areas in the entire United States. It is an area at which an air raid might be directed within the next 10 minutes, tonight, or next week.

This is no time to temporize and to engage in personalities as to who is best fitted to administer this law. This is the time to pass this act, and then let us work out the proper administration of it.

Mr. LaGuardia is not only my mayor, he is my personal friend. He is a man of great ability and of high integrity. But I believe it is beside the point now to consider whether Mr. LaGuardia can or will administer this law properly. My people—and I am sure I am speaking for the people of a great many other vulnerable areas—are crying for action. For example, in my district there is a great residential area known as Tudor City. Some of the finest apartment houses in the city of New York are located in Tudor City. It is a perfect target for an air raid. My constituents there are appealing to me, as their Congressman, to provide them with protection against these raids, not if they come, but when they come, because we must proceed on the assumption that New York City and other great port cities will have to suffer the ordeal and the horror of air raids—raids in which not only detonation, incendiary, and time bombs will fall, but raids in which every devilish device known to our enemies, including lethal gas, may be employed. It is our clear duty this afternoon to make it possible for the Government to furnish the people of all the Tudor Cities in the country with the equipment to protect their lives and their homes against this peril.

Let us not cavil. Let us not quibble. Let us act, and act quickly, on this all-important measure.

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I yield the remainder of the time to the gentleman from California [Mr. COSTELLO].

Mr. COSTELLO. Mr. Chairman, apparently, as far as this legislation is concerned, no Member has any objection to the broad purpose of the bill, namely, to acquire the necessary fire-fighting facilities, the necessary medical supplies and equipment, gas masks, and things of that kind that may be needed in this country in the event of an attack. One question, however, seems to have been raised, as to who is going to get this material.

The hearings on this bill were held last October. At that time it was simply an experimental program to place a few contracts, to get a few contractors in the habit of manufacturing the necessary equipment, and to supply those localities which would most likely be attacked first with the equipment that was first purchased.

Undoubtedly this program contemplates that ultimately, if the necessity seems apparent, every community throughout the Nation will be given its share of necessary equipment.

The big question that has arisen is whether or not the War Department should handle this function. Personally I am absolutely convinced that civilian defense is a civilian matter. It is a local matter; it is not a matter for the War Department to undertake.

If you do not believe that the War Department has a job on its hands at the present time, I advise you to go out to California, where I have been for the past 2 or 3 weeks, and ask to see what the War Department must do to provide adequate military protection for the west coast area. It is no simple problem to bring in troops, to provide antiaircraft protection, to bring in airplanes and provide air protection, and to bring in infantry and provide military protection against possible internal sabotage or rioting that may be provoked by the enemy. Providing defense from the air, from land, and from the sea is the military job, but when it comes down to fire protection, water protection, and medical aid for the civilian population, the War Department knows nothing about that and has nothing to do with it. If you throw this obligation into the hands of the War Department, you will clutter up that Department and give it a tremendous job about which it knows nothing, and you will be asking the Department to carry out that obligation which should rest upon the civilians.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. COSTELLO. I yield to the gentleman from New York.

Mr. WADSWORTH. Can the gentleman conceive of a division between an antiaircraft gun and a fire warden in the matter of responsibility and coordination?

Mr. COSTELLO. I certainly can see no combination of the two. Frankly, as far as the situation is concerned, I do not believe the fire wardens would be subject to any sort of control if the Army back in Washington had to dominate their activities. You would have to take out of the War Department any number of generals, colonels, majors, captains, all kinds of military personnel who have been trained to carry on warfare, and

make them handle civilian jobs. Certainly shooting an enemy airplane out of the sky differs very fundamentally from putting out a fire in the corner grocery.

This job can be handled by the civilian-defense coordinators in the various regions, whether they be the mayors or the sheriffs, or whoever they may be. It can be handled thoroughly and adequately by the civilian-defense organization.

Even though General Gregory last October made the statement that the War Department could easily handle this trifling sum of money, what does the War Department know about purchasing fire engines? Why ask them to go into that problem? Mayor LaGuardia and his committee have gone into the problem, they have studied the situation in London, they know what England has had to do, and they have drawn up a program. Now you are going to ask the War Department to duplicate that effort.

I say that the War Department should not be burdened with this obligation. It should not be put in their hands. If the War Department can successfully carry on this war on foreign battlefields, if they can successfully fight the Germans, the Italians, and the Japs, they will be doing the job for which they have been trained and which we have delegated to them. But we should not ask them to protect the civilians in every city, county, and State throughout this land.

This is an all-out war. It is no little job. It is a real effort on the part of every individual in this Nation. There is absolutely no reason why the mayor of your city and the fire department of your city and the water department, your county hospitals and medical staffs—yes, and every civilian himself—should not all assume their obligations. Let the civilian population handle this civilian job. Do not ask generals and colonels and majors who have been trained for warfare to handle some picayunish job in some small community. It is not their job. Do not waste hundreds of thousands of dollars of training by giving them a civilian job to handle.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. COSTELLO. I yield to the gentleman from Michigan.

Mr. HOFFMAN. I usually agree with the gentleman, but I cannot understand this. If it is necessary to win the war to put all the forces of the various nations under a unified command, why does not the same rule apply here to us? Why should not all the activities that have to do with the winning of the war and the defense of the civilian population be placed under one command?

Mr. COSTELLO. There is a very distinct cleavage between war activities and civilian activities. The War Department cannot provide infantry to protect every city in this land against sabotage. It cannot provide soldiers to fight forest fires or fires in defense plants. Those are normal civilian activities. They are normal peacetime activities. The most natural thing to do is to expand them on the same civilian basis on which they operate in peacetime, and expand them so they can take care of any undue emer-

gency that may arise because of wartime conditions. For a moment consider the Los Angeles County area. The mayor of the city of Los Angeles has under his control the largest fire-fighting equipment in that county. Who has control over that organization? Only the mayor. The Army has no right to order the fire department into any section of that city or county, but the mayor has. The sheriff of the county has the right to direct fire-fighting apparatus in the county, and so, likewise, these two individuals have control over the police personnel. They have control over the medical facilities that are available. They, and they alone, have the right to direct these forces. The Army has nothing to do with them unless you establish martial law. These are civilian activities. I say to you, do not confuse personalities in this problem with policy. Do not confuse civilian activities with military activities, but keep the two distinct if we are going to win this war.

[Here the gavel fell.]

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated such sums as may be necessary to enable the Director of Civilian Defense, appointed under authority of Executive Order No. 8757, dated May 20, 1941, to provide, under such regulations as the President may prescribe, facilities, supplies, and services to include research and development for the adequate protection of persons and property from bombing attacks in such localities in the United States, its Territories and possessions, as may be determined by said Director to be in need of, but unable to provide such protection: *Provided*, That such facilities and supplies may be loaned to civil authorities in accordance with said regulations: *Provided further*, That any department or agency of the Federal Government having equipment or supplies not required for its use may, subject to the approval of the Division of Procurement, Treasury Department, transfer the same without charge (notwithstanding the provisions of the act of December 20, 1928, 45 Stat. 1030) to the Director of Civilian Defense for the purpose herein authorized.

With the following committee amendment:

On page 1, line 3, after the word "sums", insert "not exceeding \$100,000,000."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 1, line 5, strike out "Director of Civilian Defense, appointed under authority of Executive Order No. 8757, dated May 20, 1941", and insert "Secretary of War."

Mr. THOMASON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, anything I say in opposition to this amendment would be largely a reiteration of what I said on the floor about an hour ago. I think we are faced with a serious and, perhaps, tragic situation which is very much larger than any individual or any personality that may have entered into the discussion of this legislation. Even if I did not feel that way I would try to be practical about it in view of the letter

I read here on the floor from the Secretary of War in which he says that the fighting forces of the Nation are now needed for purposes of war and, at least inferentially, says that the civilian population ought to be able to look after its purely civilian affairs. It seems to me that we are kind of butting our heads up against a stone wall to try to force on the War Department something they do not want and that they think can be better administered by civilians. So it seems to me to be an utterly useless and impractical thing.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. MURDOCK. I have in my hand now a letter from the Arizona Farm Bureau Federation asking for the protection of certain dams, particularly Roosevelt Dam. Does this bill provide for that?

Mr. THOMASON. I understand that is included. I suppose you refer especially to Federal irrigation projects like the Elephant Butte Dam I have in my own district.

Mr. MURDOCK. Yes; Roosevelt and Elephant Butte and several others.

Mr. THOMASON. They are included, but that leads me to say to my friend from Arizona that to me it is absolutely ridiculous in time of war, when we are talking about fighting in every corner of the globe, to be taking regular soldiers and perhaps some officers out of the service to protect a dam anywhere when he ought to be in the field fighting, and when the civilians of that community could do the job about as well. Not only that, but it would serve to make the civilian population feel proud of the fact that they were doing their patriotic duty and had some mission to perform. All of us cannot carry guns, all of us cannot fight, some of us are sending our boys, but we have duties to perform in our local communities and, for heaven's sake, do not let us militarize the whole Nation.

Mr. MURDOCK. I agree with the gentleman that we ought to get away from personalities in considering matters of control. In Arizona we regard the present mayor of New York City as one of our boys. We have confidence in him.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. ANDREWS. No one is advocating the use of any captain or any lieutenant in the Army for this work. The work is going to be done by an Assistant Secretary of War for Civilian Defense and he is going to undertake the job of utilizing the local organizations, such as the police departments and the fire departments, in the various municipalities.

Mr. THOMASON. That is the reason I am for a civilian set-up. Let the people who want to do this work have an opportunity to do it. You can pass the gas houses and the bridges and the dams right around Washington here in the District of Columbia and you will see a lot of regular soldiers there protecting that property, perhaps, and I suppose it is safe to assume, under the command of some military officer in this district. Why in the name of heaven should not those boys be out with your boy fighting

for the preservation of the country and let some of these local civilians who want to do the job, and can do it just as well, be patrolling and guarding public utilities and doing other purely civilian work?

Mr. GIFFORD. If the gentleman will yield, can we not get rid of some of these soldiers over here at the House Office Building and put some civilians on duty there?

Mr. THOMASON. No; because that is purely military defense. That is the line of demarcation, I will say to my friend from Massachusetts, because those are machine guns or antiaircraft guns of the Coast Artillery, which are supposed to stop any enemy planes that might come over this city. That is not to be compared with the protection of a gas or electric-light plant or some dam or bridge in any part of the country. Those soldiers the gentleman mentions are there to fight.

Another thing is that these odd husky boys in the Army do not want to be guards. They want to get out and fight and be real soldiers. The mayors, sheriffs, and commanders of American Legion posts will do the home job if you will turn it over to them under some competent administrator.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. Yes.

Mr. MAY. Does not the gentleman realize that under the amendment adopted by the committee the War Department would have the power to not employ a single civilian in these strategic positions?

Mr. THOMASON. Mr. Chairman, I am opposed to this amendment, because I want to put it back where the President of the United States, as Commander in Chief of the Army, and the Secretary of War want it. That is the reason that I am opposed to it, because they are charged with the duty of protecting the country, and I am still of the opinion that the local communities can take care of their own affairs and that we can work out this matter of personalities. I want it understood that I am backing up the wishes and policy of the President and Secretary of War 100 percent.

Mr. FADDIS. Mr. Chairman, I rise in favor of the committee amendment. In my opinion, if the amendment is not adopted, as proposed by the gentleman from Texas [Mr. THOMASON], a great deal of damage will be done to the bill. He seeks to strike out the words "the Secretary of War" in the committee amendment on page 2, in line 4.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. FADDIS. Yes.

Mr. HINSHAW. The gentleman from Texas [Mr. THOMASON], as I understand it, rose in opposition to the committee amendment. He did not submit an amendment to strike out the language, but he is opposing the committee amendment setting up the Secretary of War, and seeking to defeat that amendment.

Mr. FADDIS. I stand corrected. I want to state again what I said in the argument made in general debate when I spoke on the bill. I sincerely believe that for proper administration of the provi-

sions of this legislation it should be left to the Secretary of War. Certainly civilian defense has a great many things connected with it that are also connected with the military life of the Nation. Let us take a case of this kind. Let us suppose that for some reason it becomes necessary to evacuate a city; certainly that would be a military matter. Do we want to get into the same situation that France was in when they were evacuating their cities? Their civilian population blocked the roads and they were unable to move troops because of the exodus of the civilian population. We do not know yet what may come. We do not know to what we may be forced to resort in order to carry on the activities connected with this war. We hope we will not be forced to resort to any such measures; but if we do, we want to prepare for them.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. FADDIS. Yes.

Mr. ELSTON. Does not the gentleman believe that with this civilian defense set up under a civilian director, necessarily there would be conflict between the War Department and the civilian director?

Mr. FADDIS. Why, of course. There would certainly be.

Mr. ELSTON. The civilian director, for example, would have the authority to organize a civil air patrol, and that civil air patrol would be bound to conflict with the military patrol, and they are doing that very thing now.

Mr. FADDIS. Yes. It would cause a great deal of duplication of effort.

Mr. Chairman, I hope that the committee amendment will be adopted, and at a later time I shall offer an amendment which will set up an Assistant Secretary of War for National Defense.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. FADDIS. Yes.

Mr. MARCANTONIO. I understand the War Department has gone on record in a letter to the chairman of the committee, in which the War Department takes the position that this war should be carried on by the present set-up of civilian defense. Has the gentleman any information that he can give us with regard to that?

Mr. FADDIS. It has already been given. I hope the members of the Committee of the Whole House will accept the committee amendment and leave the bill with its provisions in the hands of the Secretary of War.

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment. I do that primarily because of the reading of the letter from the Secretary of War, wherein he renounced the idea of military control over the O. C. D. I read cursorily the testimony given before the Committee on Military Affairs. I do not find a scintilla of evidence supporting the amendment out of the testimony of Gen. L. D. Gasser, of the United States Army, retired; of Col. P. X. English, executive officer, Chemical Warfare Service, War Department; of Brig. Gen. Eugene Reybold, Chief of Engineers, United States Army; or Maj. Gen. Edmund B. Gregory, Quartermaster General, United States Army. They were the only witnesses,

aside from Mayor LaGuardia, who appeared before the Military Affairs Committee.

It strikes me, as I go over in memory the statements that have been made pro and con on this question today, that those who are opposed to the money going to Director of the Office of Civilian Defense primarily seem to be opposed to Mayor LaGuardia. Those who have contrary views are in favor of Mayor LaGuardia. Now, that is highly unfortunate. We should not legislate on the basis of any personality. We are derelict in our duties if we do this. Either the Office of Civilian Defense should have this money or it should not. It is not an issue growing out of any individual. If Mayor LaGuardia is not the proper person to head this organization, efforts should be made to get him to resign. Mayor LaGuardia is a very good friend of mine. He is an honorable gentleman and a very able administrator. He could do a splendid job as head of the Office of Civilian Defense and could properly handle this \$100,000,000, but he should not put us, his friends, in the position of taking a stand on whether we want him or whether we do not want him, when it comes to legislation of this character. He should be realistic enough not to put us in that position. All or most of his friends feel that he should not hold these two jobs, in reality three jobs; first, head of O. C. D.; second, mayor of New York City; and third, chairman of United States Conference of Mayors. No man in Christendom can hold jobs of this important character and do the jobs right. He might even have the strength of a Hercules and the wisdom of Athena—and the mayor seems even to approximate all such power—yet if the general public reacts against him, as is the case today concerning the mayor, he cannot get the best results for the office of Director of O. C. D.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. MAY. I agree wholly with what the gentleman has said about basing this thing on personalities. That would be ridiculous. But does not the gentleman feel that since we have entered into a world-wide war and the President of the United States has set up this organization the Congress would be inconsistent if it does not go along and make the appropriation, subject to his appointment of any director he wants to appoint?

Mr. CELLER. I feel that the money should be appropriated and should be spent by the Office of Civilian Defense and not the War Department. This is a civilian-defense matter. It is called "civilian defense," not "military" defense. The experience of England should teach us that the civilian and not the military authorities should have the expenditure of this money. In England, air-raid shelters, hospital and medical supplies, black-outs, fire apparatus, gas masks, gas-proof clothing, water, gas, and power company regulations are all matters under the Office of Civilian Defense in the hands of the civilian authorities, and not the military authorities.

I do hope that the mayor will take wis-

dom from some of his friends and change this situation and will resign the job as Director of Civilian Defense. He should do that for the sake of his friends and not put his friends in this most embarrassing position. Assuredly there is plenty of defense work for him to do, plenty of places and positions within the gift of the Nation when and wherein he can expend his glorious talents and abilities.

Mr. DEWEY. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. DEWEY. The gentleman has mentioned civilian defense, but I understand public funds will be used in support of civilian defense. Is it not usual that a Federal officer is employed to expend public funds, and not the officer of a city or one not engaged in the Government?

Mr. CELLER. I must respectfully differ with the gentleman, because the Director of Civilian Defense is a Federal officer. His is not a municipal office or a State office or a civilian office. He is a Federal officer beyond question, appointed under Federal authority, under Presidential Executive Order No. 8757, dated May 20, 1941.

Mr. DEWEY. Then does he hold two offices, a Federal appointive office, with salary, and a State office?

Mr. CELLER. That may be so, as to the dual office, but I do not understand there is any salary as Director of Office of Civilian Defense. His only salary, I believe, is as mayor.

Mr. DEWEY. And that is not permitted by law.

Mr. CELLER. That may be unfortunate, I have not checked on that phase of the matter, to wit, whether it is illegal for the mayor to hold a State and Federal office at one time. Frankly, in that connection, I do not know the effect of the Executive order appointing Mayor LaGuardia Director of Office of Civilian Defense.

Mr. WADSWORTH. Mr. Chairman, I rise in support of the committee amendment.

Mr. Chairman, some emphasis has been laid upon the assertion this afternoon that civilian defense can be completely divorced from military defense. In view of what happens in modern wars I cannot accept that conclusion. The two are interlocked inevitably. You cannot separate them.

Consider the condition of a great city. Army patrol planes are patrolling the seas two or three hundred miles out. They spot an enemy aircraft carrier. They radio-telephone back to the headquarters on land—Army headquarters; central information. There sit civilians, oftentimes, to transmit these messages—to whom? To air wardens, civilians, to hospitals, to ambulance drivers, "Be on the alert."

You cannot separate the two functions or the two groups of people. Outside and below the Army personnel, which is technical very largely, are these civilians, splendid people, men and women, encouraged by the mayors of their cities, encouraged by the sheriffs of their counties, by those on the fire and police departments, who volunteer to stand ready

for duty, to be ready on a moment's notice, men and women who know their stations. They report for duty. They relieve each other from time to time. All is orderly. It strikes me that under a situation of that sort—and one could multiply the examples almost indefinitely—civilian defense and military defense are interlocked.

Now, how are you going to establish teamwork between the two? The strictly military side of the Army cannot do it all. Neither can the civilians in the cities do it all. They must be merged or put into a state of cooperation, largely through volunteer effort. I cannot picture this country being militarized, as the gentleman from Texas [Mr. THOMASON] has said, if the War Department takes over the general management of this thing. Combat troops are not going to parade our streets. Young lieutenants and captains are not going to do this duty. These same civilian volunteers are going to do it, but they are going to do it in cooperation with the Army that mans the signal stations, that flies these planes, runs the interceptor devices, gathers the alarms, and spreads them through the cities, through the civilian volunteers. You cannot trust it to the Governor of a certain State, much as that Governor will work to make civilian defense in his State effective.

The State of New Jersey, for example, by legislative enactment, has established a civilian defense commission authorized by statute to do certain things and to have certain powers in the State of New Jersey. But what good can they do in the case of a black-out alarm in New York City when you remember that Jersey City is right across the river from New York and is a part of the metropolitan area and part of the target? You have got to see to it that those communities cooperate, that they are coordinated in their civilian defense; and the only way to do it is to have a superior managing power. I do not anticipate that this will take any such large personnel from the War Department. You know and I know, and I know positively that there are many officers today on the retired list completely competent to man a small staff here in Washington to work out the coordination between the communities, the States, and the cities. There are officers in the Army today who have passed the age-in-grade limit and for whom the War Department is trying to find good administrative places.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. MAY. Does the gentleman know of any reason or any law that would prevent the Civilian Director, whoever he may be, from calling on these retired Army officers for their voluntary service?

Mr. WADSWORTH. There is nothing to prevent his calling on them, but he has no power to call on them. They are in the Army even though retired. The Army could select the best men to do this job, and not leave it to a civilian. The War Department will comb over its list of officers, mostly of middle age, and select the men who can do this thing at New York, at Baltimore, at Boston, Phila-

delphia, Chicago, San Francisco, or any other place; and the man in San Francisco will work under General DeWitt and will cooperate with the mayor of San Francisco and the chief of police.

Mr. THOMASON. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. THOMASON. Mr. Chairman, I ask the gentleman if it is not a fact that under the present set-up retired officers of the Regular Army are being called in? I have very specially in mind a great military man in my judgment, General Gasser, former Chief of Personnel of the War Department. He is the first assistant to Mr. LaGuardia in this office. Does not this therefore prove that it is not necessary to turn it over to the Army in order to get the service of these retired officers and these veterans?

Mr. WADSWORTH. I cannot conceive it to be a part of sound military policy to leave it to a civilian organization to call Army officers to duty. They should be called to duty by the Army and not on the basis of personal acquaintance.

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, several Members are on their feet seeking recognition. I ask unanimous consent that all debate on this amendment conclude in 35 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none. The Chair has made a list of those who have indicated a desire to speak on this amendment and will endeavor to recognize them in turn.

The Chair recognizes the gentleman from Louisiana [Mr. Brooks] for 5 minutes.

Mr. BROOKS. Mr. Chairman, in the light of the letter that was received from the Secretary of War, and in light of the facts which have occurred in the last few days, it is my judgment that this matter should be handled through the civilian defense set-up. I have in mind, Mr. Chairman, this: The Army normally operates in times of emergency in military areas by means of martial law. The State and municipal governments operate by use of civil law. These two bodies of law have been developed and worked out and have come down to us through hundreds of years.

Here is a proposition which covers the entire Nation. The need for these services may be just as acute in the geographical center of the United States, for instance, St. Louis, as on the Atlantic, the Pacific, or the Gulf coast. The need may develop at a time when a locality is under attack from an Axis Power or it may develop at a time when there is no such attack. The need for such services may continue long after the attack has occurred, long after, for instance, bombers have dropped their bombs upon a city and have disrupted normal civil functions. The need for the services of civilian defense may continue for weeks and months. For instance, the need of protecting and rebuilding or reconstructing the utilities of a city would continue until the repairs are completed and the functions are reestablished. In the light

therefore, of the fact that the need for these services may occur thousands of miles away from the military areas, and may continue long after the actual attack ceases, it should be left in the hands of civil authorities. The Civilian Defense contemplates the use of civil law in carrying out its orders rather than military law. This is in fact an effort to continue the use of civil functions, normal civil functions, of the communities as far as possible, even in time of a world war; and it is my opinion that it is far preferable to continue this as a civil set-up rather than a military one. The Secretary of War himself says he would rather not have this additional authority and responsibility. He feels this work can be properly handled by the civil set-up which is contemplated under the present arrangement under which we have been operating.

Mr. VORYS of Ohio. Will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. The gentleman mentioned the fact that this applies all over the country and that there are many civil duties involved. Does not the gentleman feel that our Selective Service Act, which operates almost entirely through civilians on civilians and is subject to civil law until a man is inducted, is wisely under the Army and the War Department?

Mr. BROOKS. The gentleman is in error. It is not under the Army or the War Department. It is set up as a civilian set-up.

Mr. VORYS of Ohio. But there are officers in charge of it.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, I have been wondering just where the Office of Civilian Defense was placed in the Government of the United States, so I referred to the well-known Congressional Directory, the latest edition thereof, a volume sometimes facetiously referred to as the family Bible. I find that under the Executive Office of the President there is the Liaison Office for Personnel Management, Council of National Defense, Office for Emergency Management, Coordinator of Information, Economic Defense Board, Bureau of the Budget, National Resources Planning Board, and Office of Government Reports.

Under the Office for Emergency Management, headed by Wayne Coye and a number of assistants and division chiefs, comes 13 other divisions, including Office of Civilian Defense. In addition to the Office of Civilian Defense, under the heading of Office for Emergency Management, there are the following: Defense Communications Board, Office of Facts and Figures, Office of Defense Health and Welfare Services, Division of Defense Housing Coordination, Office of the Coordinator of Inter-American Affairs, Office of Lend-Lease Administration, National Defense Mediation Board, Office of Price Administration, Office of Production Management, Supply Priorities and Allocations Board, Office of

Scientific Research and Development, and Transportation Division.

The Office of Civilian Defense has a number of officials. There is the Director, Fiorello H. LaGuardia, and an Acting Deputy Director, who, I presume, is the man who sits in the office and does the office work, Mr. T. Semmes Walmsley. There is a Deputy Director in Charge of Operations, Mr. Corrington Gill. There is the Assistant Director in Charge of Participation, Mrs. Franklin D. Roosevelt. There is an Assistant Director, Eloise Davison, and Acting Assistant Director, Mr. S. Howard Evans.

The Office of Civilian Defense, according to this volume, is located in the Dupont Circle Apartments, phone Republic 5050.

I think that completes the picture of the set-up. The Office of Civilian Defense comes under the Office for Emergency Management which is an executive agency directly under the President.

May I say, as one civilian to 434 others here, that as there must be a civilian defense I would like to see it come under the direction of somebody who knows the defense business from A to Izzard, and who has had long experience in the actual art of defense. If we want a man who has had long experience with local governmental affairs and who can be said to be nonpolitical—of course, I assume that Mr. LaGuardia, of New York is not available for full-time duty in this matter—there are a number of perfectly good city managers and county managers throughout the country who carry Army titles as high as colonel or general. I can refer to one from my own county, Col. Wayne Allen, a good soldier, who understands management of civilian matters very well. He is quite capable and would be a good man for this position, but he is only one of many.

Under the committee amendment, which would substitute the Secretary of War for the Office of Civilian Defense, I have no conception that the Secretary of War will put in a lot of captains, sergeants, corporals, and soldiers to operate the civilian defense. With all due respect to my colleagues who feel otherwise about it, I think that that would be unwise procedure and anybody who would be Assistant Secretary of War in charge of civilian defense would surely realize that. All this Assistant Secretary is supposed to do is to coordinate the civilian defense. He is not expected to order them to buy fire equipment or to police bridges or drain pipes or anything else, nor is he expected to give orders to police or fire departments. His duties would be the same as those now assigned to the Office of Civilian Defense.

Under the amendment here proposed and the amendment to be offered by the gentleman from Pennsylvania [Mr. FADDIS], it would be possible to use the procurement facilities of the War Department for purchasing gas masks for distribution to civilian agencies and civilians. That same thing would be true for other defense items.

Furthermore, under the War Department it would be possible to call back to duty a number of retired officers, among

them those who may have some slight physical disability which might preclude them from field service but which does not actually disable them. The Secretary of War can call these men back to active duty and assign them to civilian defense. He could also better utilize the organizations of veterans of the last war who are now so anxious to be doing something for the defense of their country. Civilian defense means just what it says. It doesn't mean a pink tea. It is serious business and people who know something about it should be responsible for it.

I am in favor of the committee amendment, and will favor the Faddis amendment when presented.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. ELIOT].

Mr. ELIOT of Massachusetts. Mr. Chairman, I want to make three simple points against the committee amendment. First, let me dwell for a moment on something that we all know. I happen to know it first-hand because I served for some years in the administrative branch of the Government. It is very, very rare indeed to find any Government department either voluntarily relinquishing power or refusing power when it is offered to it. In this case, however, even though the committee believed that this function should be in the War Department, the Secretary of War and the War Department have said, "No, we do not want this function. It should be performed by civilians."

Under the circumstances, with full knowledge of how usually every department welcomes new authority, it seems to me that that view of the Secretary of War should have very great, if not controlling, weight in this body.

Second, just to reiterate a point that has been made before. It is true that the Office of Civilian Defense's chief job is to protect civilians in their homes from the effects of air raids, and the chief contacts of such an office must be with local governments and local bodies of volunteer civilians. The job is a civilian function.

The gentleman from Ohio asked a question a little while ago, "Is not the draft a civilian function?" The answer to that is, "Yes, it does deal with civilians, and it is in a civilian agency, even though the man heading it may have a military title."

Mr. BROOKS. Will the gentleman yield?

Mr. ELIOT of Massachusetts. I yield to the gentleman from Louisiana.

Mr. BROOKS. It is a civilian agency that inducts into the service of the Army of the United States the men needed for fighting purposes.

Mr. ELIOT of Massachusetts. The gentleman from Louisiana is right. The contact between civilian and army is at least as close there, if not closer, than it would be in connection with civilian defense.

Third, I just want to comment, if I may have the temerity to do so, about the very interesting speech by the gentleman from New York [Mr. WADSWORTH]. He said that the functions of the military and

civilian bodies in a matter of this sort were inevitably inseparable. I merely comment there that we must as a matter of course rely largely upon English experience for our development of air-raid precautions. They have had that experience, they have learned through experience, and they are doing a very effective job of protecting their civilians now. In England, Air Raid Precautions, the equivalent of our Office of Civilian Defense, is a civilian agency.

Mr. Chairman, for those three reasons I hope very much that this committee amendment will be rejected.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. ELIOT of Massachusetts. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Is it not a fact that the present Office of Civilian Defense was created by Executive order of the President?

Mr. ELIOT of Massachusetts. I believe so.

Mr. KEEFE. All this bill does is name the Secretary of War to be Director of the Office of Civilian Defense, subject to the rules and regulations the President may prescribe. Is it not fair to assume, therefore, that the rules heretofore laid down by the President prescribing the civil character of the present organization, and under which the organization now functions, will continue in force and be reestablished by the President, and that this organization will remain purely civil in character, although having as its active head the Secretary of War? Is that a fair question?

Mr. ELIOT of Massachusetts. It is a fair question, and anyone can assume anything he wishes, but I would prefer not to leave it to chance.

Mr. MAY rose.

Mr. ELIOT of Massachusetts. Does the gentleman from Kentucky wish me to yield?

Mr. MAY. May I just observe, if the gentleman will permit, in answer to the gentleman from Wisconsin, that the effect of the amendment, then, is simply to fire one man and appoint another?

Mr. KEEFE. The gentleman does not see fit to answer.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Michigan [Mr. BRADLEY] is recognized for 5 minutes.

Mr. BRADLEY of Michigan. Mr. Chairman, I rise in support of the committee amendment.

I dislike to take issue with the gentleman who has just preceded me but I must say I am fully in accord with the position taken by the gentleman from New York [Mr. WADSWORTH], in that I fail to see how civil defense and military defense must not of necessity be interlocked at all times. After all, the Army is out to protect the civilians. As the gentleman from New York so ably pointed out, in the event of an air raid they will be the first to give the alert signal and to put the civilian population on notice to take cover and prepare for civilian self-defense, working through volunteer and even professional civilian workers.

The gentleman from Texas and many other speakers today have been stressing the patriotic fervor with which the volunteer workers have attacked their jobs. That is very true. I have recently had personal contact with many who are volunteering their services. Despite their enthusiasm, I find there is a very great deal of chaos and confusion presently existing in the civilian-defense organization due to the fact that professionals have not been employed to coordinate their efforts with those of the military. And trained professionals have not been utilized to properly instruct them in their duties.

I think this matter should properly be put under the Secretary of War and, as the gentleman from New York said, we should even call back many of the hundreds or thousands of ex-Army officers who are writing your office and mine asking what they can do to serve the country in its hour of crisis.

All these patriots who are volunteering their services for civilian defense deserve the highest credit, but let me point out that not all in the Office of Civilian Defense are volunteers or perhaps quite as patriotically inclined. Let me read you an article I clipped from a Cleveland paper dated, I believe, December 30 last. This is typical of partisan political activity going on in a great many sections of the United States under the Office of Civilian Defense.

CARR QUILTS CITY JOB FOR UNITED STATES POST

Charles Carr, Democratic leader in ward 17, today resigned the \$3,100 assistant police prosecutorship he took December 15 to accept a job with the Federal Civilian Defense Administration at \$4,500 a year.

Carr, who lost the councilmanic race last fall in ward 17 by 600 votes to Councilman William O. Walker, notified Law Director Thomas A. Burke, Jr., of his new job, and his resignation was accepted.

The article further states Carr will perform his duties in Columbus, the State capital.

I should certainly like to have somebody from Cleveland or from Ohio who knows that gentleman explain to the House just what his specific qualifications are for this important \$400-a-month job in the Office of Civilian Defense organization.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. BRADLEY of Michigan. I yield to the gentleman from Tennessee.

Mr. JENNINGS. Against whom is it proposed that this agency defend us; against civilian attack or against a hostile military attack?

Mr. BRADLEY of Michigan. I assume it is to protect the civilians of this Nation against hostile military attack.

Mr. JENNINGS. Does anybody think for 1 minute that a civilian, even though that civilian may be a woman, is better qualified to defend us against military attack than a military man would be?

Mr. BRADLEY of Michigan. I certainly think the question answers itself. Obviously this calls for a tremendous amount of military organization, supplemented by volunteer civilian workers in every community in this land. Partisan

politics should play no part in the vital question of civilian defense.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, I rise in opposition to the committee amendment. Throughout this debate the proponents of the committee amendment, it seems to me, have overlooked the work that has already been done by the Office of Civilian Defense. The nature of that work has not been fully described here.

Civilian defense as we know it is entirely separate and distinct from military defense against attack. Civilian defense involves the protection of water mains, gas mains, lighting systems, and hospitals; in other words, it is a carrying out on a more extensive and strenuous basis during wartime of the already existing civil municipal functions. Because of the requirements of the war, it is necessary to have volunteers to do this work of a civilian and municipal nature and to carry on municipal functions. For that purpose, and for that purpose alone, there have been enrolled throughout the United States 5,245,338 volunteers as of December 31. Six hundred and fifty-seven thousand eight hundred and thirty-seven have been enrolled as air-raid wardens, 272,491 have been enrolled as auxiliary firemen, 179,731 have been enrolled as auxiliary police, 295,840 have been enrolled in auxiliary medical units, 167,138 have been enrolled in other protective capacities, and 417,504 have been enrolled in community activities, including child care, war relief, food conservation, and so forth.

Now, with all due respect to the distinguished gentleman from New York [Mr. WADSWORTH], I do not see just how these functions are necessarily a part of the actual military defense against attack. Since they are of a civil character and since this is an extension of municipal town and county functions, then, necessarily, there must be a separate set-up, and the Office of Civilian Defense does nothing else but carry out the civilian functions of a municipality, town, or county, but on a more extensive scale, with more people involved as a result of the needs raised by the war.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I yield to the chairman of the Military Affairs Committee.

Mr. MAY. I would like to ask the gentleman from New York if he knows how many policemen and firemen there are in the city of New York; and if they were all fired and replaced by military men, how many men it would take?

Mr. MARCANTONIO. I am sorry I am not in a position to answer that question.

Mr. ANDREWS. I will be glad to answer that question. None of them would be fired.

Mr. CREAL. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Kentucky.

Mr. CREAL. Since child care and nutrition and food conservation are a part of this work, does not the gentleman think some old bachelor, a retired army officer, would be better prepared to look after the babies than the organizations of mothers in a city?

Mr. MARCANTONIO. I will tell the gentleman that I do not see much connection between a brass hat and a cradle.

May I also add one other thing. If you turn this thing over to the War Department all of a sudden, making a sudden change, just what is going to happen to this set-up, a set-up composed now of 7,084 city and county defense councils and over 5,000,000 volunteers who are being trained, who meet almost every night, and have been meeting in the various localities throughout the Nation receiving instructions and doing an excellent job? How many fighting men would you need to supervise and carry out this large and country-wide program? Very correctly, the War Department insists that this task be performed by the existing civilian defense set-up. I submit that in view of this position of the War Department, as well as the Commander in Chief, the President of the United States, who insists that this work be carried on by a separate organization such as the Office of Civilian Defense, we are taking too much of a gamble with the safety of the citizens of the various communities of this country by making this switch over to the War Department.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. CROWTHER] for 5 minutes.

Mr. CROWTHER. Mr. Chairman, I take this time not particularly to discuss the amendment, but to call certain conditions to the attention of Members of the House, especially those who live in localities that have large industrial plants that are actively engaged in defense production.

I have observed that a distinguished Member of the Congress at the other end of the Capitol spoke on this subject a week or 10 days ago in regard to what is being done for the protection of Pittsburgh, which he defined as the very heart of the steel industry. Without being at all provincial, may I call attention to the fact that Schenectady, N. Y., is my home town. Some people have difficulty in spelling it and think it is an Indian chief's name, but it is not. It is a city of one hundred-and-odd thousand real Americans, and the General Electric Co. is located there, which is making nearly every type of war-defense material, including turbines for naval vessels. We have there also the American Locomotive Works, which is turning out regular tank production at the present time in addition to locomotives. Two miles away is the great United States Army warehouse depot, where millions of dollars worth of Army material is stored for current and future use.

Recently I attended a meeting where there was a representative of Civilian Defense, and after he got through I talked with him about this matter and

asked him if anything was being done to protect these industrial centers in view of the considerable stress that is being placed upon production at this moment. He said that was certainly not one of their functions, that it should be referred to the War Department. It seemed to me that all the advice he gave us as to what to do as a result of a bombing raid was very fine and helpful. He told us that the industrial plants had been advised by printed circulars and otherwise what they were to do as to building protective walls between machines and windows, and advising them what to do otherwise, and I said "That would be too late; it seems to me in these big industrial centers we ought to have a further development of local air fields and have them equipped with some pursuit planes and some anti-aircraft guns and not wait until the bombing commenced before we did anything about it."

I understand that in the President's message, as I read it, there is a request for some 20,000 anti-aircraft guns. It may be that these are requested in view of the present emergency, and, perhaps, some of them are going to be allocated for the purpose of industrial plant defense. It seems to me there is an especial need of pursuit planes in local air fields in order to give some degree of security to the immense centralized defense production plants that there are in the country. Only a few miles away we have the great Watervliet Arsenal, and I presume that there are a hundred Members in the House who have in their districts great industrial centers where this defense production is going on.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. CROWTHER. Yes.

Mr. MAY. I call the gentleman's attention to a statement made by the Civilian Director on page 4 of the hearings. After he had spoken about New York and coastal cities within a range of 300 miles, he made this statement:

Then we have cities of similar size within the key defense area, cities like Cleveland, and cities like Detroit, where they have what we call sensitive points that make attractive targets for attacks

Mr. CROWTHER. I thank the chairman for his contribution, and I hope that if it is not within the scope of civilian-defense authorities that the War Department and its military authorities will give immediate consideration to a program that will give a sufficient degree of protection and a feeling of security to those industrial concerns that are so vitally interested in our mass production for defense.

Mr. MAY. Mr. Chairman, I am in rather a close strait jacket in this matter, in view of the fact that our committee by a single vote of one reports this amendment. I am not taking a stand one way or the other upon it, but I do want to call attention to the apparent absurdity of the procedure.

The only effect that this amendment has is to throw out of office a civilian director appointed by the Chief Executive of this country under an Executive order and require the appointment of another.

It may be that if you name under the amendment that is to be offered by the gentleman from Pennsylvania [Mr. FADDIS], as I understand it, an additional Assistant Secretary of War, that that Assistant Secretary of War might turn around and appoint the same Civilian Director. If he did appoint a different person to the position of Civilian Director, this appropriation made by the War Department would not go through the Civilian Director.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. MAY. Yes.

Mr. COCHRAN. As a matter of fact, the mayor of New York, who is a veteran of the World War, was an officer assigned to the Air Corps, and if the President, under the terms of the committee amendment, if it should become law, so desired, he could still have the mayor of New York as Director. There is nothing in the world to prevent the President from appointing Mr. LaGuardia as an officer and placing him in charge of these activities. I am considering this bill not from the standpoint of LaGuardia or anyone else other than the Commander in Chief of our armed forces. We have heard much about cooperation and unity. Where is the cooperation and unity now?

Mr. MAY. Nothing in the world, but let me say that when we first reported this bill, it was some time before a declaration of war. It was in October. We have made three declarations of war since that time. Then, right on the heels of the consideration of the matter the committee was informed by the Secretary of War that he had no desire to take over this endeavor, and undoubtedly when the President told us a few days ago as Commander in Chief of our armed forces, that we are to go to any part of the world, we certainly should not do anything to cause the Secretary of War to take from his own people and have them take the place of civilians, who have volunteered. If the War Department has to do it, it will cost two or three times as much as it will cost in the other way, because every one, including the Director, is a volunteer, without compensation.

The CHAIRMAN. The time of the gentleman from Kentucky has expired. All time has expired. The question is on the second committee amendment, which, without objection, the Clerk will again report.

There was no objection, and the Clerk again reported the second committee amendment.

Mr. KILDAY. Mr. Chairman, a parliamentary inquiry. Are we now voting to retain in the bill the committee amendment as reported by the committee?

The CHAIRMAN. The question is on the amendment offered by the committee as now in the bill.

Mr. KILDAY. Then a vote of yea is to sustain the bill as it comes from the committee?

The CHAIRMAN. A vote of aye would be in favor of the committee amendment. The committee amendment is to strike out lines 5 and 6 and insert the words "Secretary of War." That is the way in which the bill came from the committee,

with the words "Secretary of War" in the bill, so that a vote of aye would have the effect of leaving the bill in the form it came from the committee.

Mr. THOMASON. Mr. Chairman, the result would be that if a member wants to vote to turn the entire matter over to the Secretary of War he votes aye, and if he wants civilian defense he would vote no.

The CHAIRMAN. That is correct. The question is on agreeing to the committee amendment.

The question was taken; and on a division (demanded by Mr. THOMASON) there were—ayes 110, noes 58.

So the committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 2, line 4, after the word "by", strike out "said Director" and insert "the Secretary of War."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Committee amendment: On page 2, in line 13, after the word "the", strike out "Director of Civilian Defense" and insert "the Secretary of War."

The amendment was agreed to.

Mr. MAY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MAY. Has all of section 1 been read?

The CHAIRMAN. It has.

Mr. MAY. Then, I offer an amendment, which is at the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Kentucky.

The Clerk read as follows:

Amendment offered by Mr. MAY: On page 2, line 2, after the word "attacks", insert the words "sabotage or other war hazards."

Mr. MAY. Mr. Chairman, I make this explanation of that amendment: There is some question about it being confined only to bombing, and if we protect anybody we should protect them for every purpose. That is all there is to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky [Mr. MAY].

The amendment was agreed to.

Mr. FADDIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FADDIS: On page 2, after the period in line 15, insert "To aid the Secretary of War in the performance of his duties under this act and to perform such other functions relating to civilian defense as the Secretary of War may direct, there shall be an additional Assistant Secretary of War who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate of \$10,000 per annum. Upon the expiration of 6 months after the termination of the wars in which the United States is now engaged, the office of Assistant Secretary of War herein created is abolished."

Mr. FADDIS. Mr. Chairman, now that the committee has decided to leave the administration of this matter in the hands of the War Department, where it belongs, I believe, in justice to the Nation and in justice to the Secretary of War, an additional Assistant Secretary of War should be created to administer the provisions of this legislation.

The duties in connection with this legislation will be rather extensive. A great deal of property will necessarily have to be procured and distributed in connection with the provisions of the legislation. Someone will have to be accountable for it. Someone will have to be responsible for it. I therefore believe that because of the great number of duties of the Secretary of War at the present time we should create a temporary Assistant Secretary of War for the purpose of administering this legislation.

I call the attention of the members of this committee to the fact that this amendment provides for the automatic termination of this office whenever there is no longer any necessity for it.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. FADDIS. I yield.

Mr. HOFFMAN. Is there anything in the amendment which, if adopted, would prevent the mayor of a great city being appointed to that office and still hold the office of mayor?

Mr. FADDIS. No; there is not. I know of no way to provide against that, and am not aiming this amendment at anyone. However, it has been made subject to the confirmation of the Senate, and I believe that is as far as we can go.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. FADDIS. I yield.

Mr. FLANNAGAN. Will your amendment make the Director of Civilian Defense a full-time job?

Mr. FADDIS. Yes.

Mr. FLANNAGAN. There is no question about that?

Mr. FADDIS. There is no question about that. He would be an Assistant Secretary of War for Civilian Defense.

Mr. FLANNAGAN. And it would be a full-time job?

Mr. FADDIS. Yes.

Mr. FLANNAGAN. And it could not be held by someone holding a State job?

Mr. FADDIS. Well, yes; it could, if they wanted to; but I provide for confirmation by the Senate, and I am very confident that the Senate, at least, would not allow any abuse of it in that respect. [Here the gavel fell.]

Mr. THOMASON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I wish I could recall the language of some of the speeches made on this floor, especially by my friends on the Republican side, in days gone by when there would be a bill here to provide for an Assistant Secretary of Agriculture or Interior or something of the sort.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. In just a moment. But it just seems now that this feeling against our old friend and colleague, Mr. LaGuardia, is such, as indicated by the

question of the gentleman from Michigan to the gentleman from Pennsylvania, that the thing to do is to make sure that we tell the Commander in Chief of our armed forces who shall run this job.

Mr. HOFFMAN. Will the gentleman yield now?

Mr. THOMASON. I yield.

Mr. HOFFMAN. I was not here when Mr. LaGuardia was here, but I do know that you have criticized us for being partisan in that we did not support your measures. Now, when we go along, are you still criticizing us for following you?

Mr. THOMASON. I suspect the gentleman's motives when he is so enthusiastic about creating a new office that nobody has asked for. We have not heard a single word from my friend from Pennsylvania as to what duties are to be performed by this new Assistant Secretary of War, yet anybody of intelligence, like my friend from Pennsylvania, ought to know that that office, if created, is not going to be abolished 6 months after war is over.

Mr. FADDIS. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. FADDIS. The language of the amendment reads that he is to perform such other functions relative to civilian defense as the Secretary of War may direct; and the amendment further provides an automatic termination of the office 6 months after the war is over.

Mr. THOMASON. As some gentleman said just a few moments ago, the Commander in Chief of our armed forces, if he wanted to appoint Mr. LaGuardia to the job, could do it; but I repeat what I said earlier in the day that in this terrible crisis I am trying to think of principles and results rather than personalities. In order to be consistent I go back to my original proposition that the President of the United States has not said he wants another Assistant Secretary of War. The Secretary of War who is charged with the duty of fighting and winning this war has said in a written letter that he does not want this job and this duty, and he has not asked for any Assistant Secretary. Now to go along without a word from the Secretary of War, without a word from the President of the United States and willy nilly create a new job of Assistant Secretary of War that has not been asked for and pay the incumbent \$10,000 a year, I say is carrying your prejudice too far.

I should like in this connection to say that if the Secretary of War in the interest of national defense and winning this war advises the Committee on Military Affairs or any Member of this House that he needs and wants an Assistant Secretary of War, I am willing to give it to him, but simply to take another slap at Mr. LaGuardia a distinguished American, a man who has ability, character, and courage of a high order—I say it is further than I am willing to go. I believe in Mr. LaGuardia and am his friend. I believe in him enough to feel sure he will resign one of his jobs if either he or the President thinks it best for the winning of the war.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. GORE. Surely the gentleman does not mean to characterize Congress as acting willy-nilly because perchance it takes some action which has not been asked of it?

Mr. THOMASON. No; I will take issue with my good friend from Tennessee to this extent, that in this Congress when it comes to the question of national defense and winning this war, the Commander in Chief and the Secretary of War will have my loyal and active support in everything they want or recommend, that will further their plans and get results.

Mr. GORE. But the gentleman says the Congress acts willy-nilly when it goes along and does something it is not asked to do.

Mr. THOMASON. I have said, I say again, and stand by what I say, and that is when the Secretary of War in an official letter over his signature says he does not want to use the Army to do all this civilian work, when he says: "For heaven's sake, let the civilians in the respective communities do it," then I am going to follow him. I am not going to let any prejudice or dislike for individuals change my judgment or votes in that regard.

[Here the gavel fell.]

Mr. ANDREWS. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes.

Mr. ANDREWS. Mr. Chairman, I shall not take my 5 minutes.

The gentleman from Texas has referred to the matter of being consistent. I might remind the gentleman from Texas that the House by a vote of 3 to 1 has voted to place this activity under the War Department. If we are going to be consistent we must have an Assistant Secretary of War for civilian defense. I say let the President appoint Mr. LaGuardia as Assistant Secretary, if he wants to. I will be satisfied with that.

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman from Michigan is recognized for 5 minutes.

Mr. HOFFMAN. I just wish to beg of the gentleman from Texas [Mr. THOMASON] not to discourage those of us who are trying to support the administration, by charging us with partisanship when we vote for an amendment introduced by a Democrat, supported by a large number of influential Democrats. It is true that as a party we have been consistent in our opposition to the creation of new departments, agencies, and offices, that, on the ground of economy. We have, just as consistently, however, voted for appropriations for national defense and since the declaration of war, so far as I know, not a single Republican has voted against any appropriation designed to aid in the war effort. Now just because this bill creates a new office and practically all of the Republicans support it, you charge us with opposition to the President and with partisanship; either forgetting or ignoring the fact that the new office, that of Under Secretary of War, will be filled by a Democrat, by a Democrat selected

by the President and who will act in the future under his orders.

Why not be fair with us and when we try to go along, not jump on us? It is sure discouraging to have our every action, no matter how patriotic, challenged as political even though that action is in accord with that of a large number of your own party members. Why, every time that we try to assist, do you give us a kick?

Mr. KEEFE. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I am taking this time in order to see if I can straighten out, in my own mind at least, one or two perplexing problems in connection with this particular amendment. I would like the attention of the chairman of the Committee on Military Affairs. It is a fact, is it not, that this entire set-up of civilian defense was created by the President of the United States by Executive order?

Mr. MAY. That is correct.

Mr. KEEFE. And the President of the United States by that Executive order appointed the Director of Civilian Defense and prescribed his duties. The only duties that the Director is now carrying out presumably are the duties prescribed in the Executive order creating the position; is that correct?

Mr. MAY. The Executive order, as I understand it, created the position, appointed the Director and defined his duties by regulation.

Mr. KEEFE. I have not heard anybody read the duties of this Director as prescribed in the Executive order, and, upon inquiry of the chairman of the Committee on Military Affairs, I am informed he does not have a copy of that Executive order here on the floor this afternoon. If I understand anything about this problem at all, it is that the President of the United States, when this legislation is passed in its present form, regardless of the amendment of the gentleman from Pennsylvania, will still provide the regulations and the direction for the administration of this Office of Civilian Defense.

We have by this amendment provided that the Secretary of War shall provide "under such regulations as the President may prescribe," facilities, supplies, and so forth, to do what? To carry out the purposes and the objectives set forth in the Executive order creating this agency of civilian defense. It certainly goes without saying that if the President has the right to create this agency and has the right to specify what the agency shall do and to prescribe its duties and its functions, then when we authorize an appropriation of \$100,000,000 it makes little difference what we say here because the President by his regulations still runs this show, and make no mistake about that.

It seems to me that when we create another office of Assistant Secretary of War, we are just creating an office that may have some repercussions that we do not now know about. This man is to do the work of the Director of Civilian Defense and the President will see that the man he wants is put in there. If that man is Mr. LaGuardia, it will be Mr. LaGuardia, and the Secretary of War will simply be the over-guiding head.

This organization will continue to function with its civil personnel, in my opinion, exactly as it is doing today, because if that is what the President wants that is what the President can do under the authority that he now has under existing law. So why are we wasting all this time, when, as a matter of fact, he is the Commander in Chief, and can, and no doubt will, appoint whom he pleases and keep him under the very terms of this law that we have before us today? I cannot support this amendment to create another unnecessary job, although I was pleased to support the committee amendments.

[Here the gavel fell.]

Mr. CREAL. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, are the supporters of the ripper bill attempting here today to cooperate with the Commander in Chief? You have been asked by a close division of the Military Affairs Committee, the majority of which was dominated by the Republicans when the vote was taken, to pass your first ripper bill, and put a man out of office whom the President has chosen as Director of Civilian Defense. In the World War we did not use anything such as proposed here. In Britain it has been pointed out to you they did not use it then and are not using it now. Britain's civilian-defense program is not under the Army.

In every little community the question of civilian defense is of a different nature. The men in these communities know best how to handle the situation better than any imported brass hat. Whenever you call on the people and they come together, they will do something patriotic and get credit for it. The good women of the town and all the people will walk their legs off canvassing or doing something, and they will do it all on a voluntary basis. But when you point out to that town what they have to do, you have murdered this cooperative spirit. The feeling is, "I feel I am doing it because I am told to do so."

You say that there is no way to separate the work. This military man comes down there under orders which he must obey, which are Army orders, to tell people not subject to his jurisdiction, operating under civil law, to do something. When you do that there is going to be very poor cooperation. He will get criticism from that community the first mistake or two he makes.

I can think of nothing more destructive and one which will do more to kill off the fine spirit in various places, from the small hamlet to the big city, than that. These people have been cooperating in this work. They have had varied experience. Why, this civilian defense program is not all an air raid. It concerns things that a military officer with long life in the Army knows no more about than a goose. He is no more fitted to take charge of some of those things in these towns and cities than a man who came off the farm is to undertake to take the officer's place back in front of the Army. It is a different proposition entirely. It is one for local people, and it is a reflection on their ability.

The present Civilian Director, Mayor LaGuardia, may or may not be the proper person to direct, but that is a matter for the Commander in Chief.

I am not going to start off here by going back to the old tactics. Some of my Democratic friends are standing here and falling for the same old bunk of obstructionists that they are standing in line here for the first ripper bill. It is a pitiable spectacle and a damnable shame on the Democrats for joining hands with the men who only a few days ago attempted to strangle every defense effort and everything else. And here you are goose-stepping down the line again with those boys leading the procession for your first ripper bill. May God save the country and the President. We had been assured that sniping was over, but we see that it is not.

You are asked to vote for something which neither the President, the Secretary of War, the chairman of the Military Affairs Committee, nor the floor leader wants. To satisfy whom and what? Is there a request from any State, county, or city official of the land wanting the Army to usurp civil functions?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FADDIS].

The question was taken; and on a division (demanded by Mr. THOMASON) there were—ayes 103, noes 73.

Mr. THOMASON. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed Mr. FADDIS and Mr. MAY to act as tellers.

The Committee again divided; and the tellers reported that there were—ayes 113, noes 85.

So the amendment was agreed to.

The Clerk read as follows:

SEC. 2. It shall be unlawful for any person to wear a uniform, insignia, arm band, or other distinctive article prescribed by the Director of Civilian Defense except in accordance with the regulations promulgated under the authority of section 1 hereof. Any person found guilty of violating the provisions contained in this section shall, upon conviction, be fined not more than \$100 or imprisoned for not more than 6 months, or both.

With the following committee amendment:

Page 2, strike out lines 16 to 23, and insert in lieu thereof the following:

"SEC. 2. It shall be unlawful for any person to wear an insignia, arm band, or other distinctive article prescribed by the Secretary of War except in accordance with the regulations promulgated under the authority of section 1 hereof: *Provided*, That nothing in this act shall be construed as authorizing the Secretary of War, or any person or employee acting under him by authority of this act, or in pursuance of the regulations prescribed thereunder to interfere with or usurp any of the rights or duties of any local district, municipal, county, or State official.

"Any person found guilty of violating the provisions of this section shall, upon conviction, be fined not more than \$100 or imprisoned for not more than 30 days, or both."

The committee amendment was agreed to.

Mr. MAY. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry

amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BARNES, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 5727) to provide protection of persons and property from bombing attacks in the United States, its Territories and possessions, to authorize the procurement of materials and supplies, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

Mr. MAY. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. THOMASON. Mr. Speaker, I demand a separate vote on the committee amendment appearing in lines 5, 6, and 7 on page 1, and I also demand a separate vote on the so-called Faddis amendment.

Mr. Speaker, the amendments relating to the substitution of the Secretary of War for the Director of Civilian Defense appear not only on lines 5, 6, and 7 on page 1, but also in lines 4 and 13 and 14 in page 2. I therefore ask unanimous consent that these amendments may be considered en bloc.

I also demand a separate vote on the Faddis amendment, which immediately follows section 1 in the bill as printed.

The SPEAKER. The gentleman from Texas demands a separate vote on the amendments substituting the Secretary of War for the Director of Civilian Defense. There are three such amendments and the gentleman from Texas asks unanimous consent that the amendments be voted on en bloc. The gentleman also demands a separate vote on the Faddis amendment. Does the gentleman desire that the Faddis amendment be voted on with the other amendments?

Mr. THOMASON. No, Mr. Speaker; I demand a separate vote on that amendment.

The SPEAKER. Is there objection to the request of the gentleman from Texas? There was no objection.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them in gross.

The question is on the amendments on which a separate vote has not been demanded.

The amendments were agreed to.

The SPEAKER. The Clerk will report the first amendments on which a separate vote has been demanded.

The Clerk read as follows:

On page 1, beginning in line 5, strike out "Director of Civilian Defense, appointed under authority of Executive Order No. 8757, dated May 20, 1941" and insert "Secretary of War."

On page 2, in line 4, strike out "said Director" and insert "the Secretary of War."

On page 2, in line 13, strike out "Director of Civilian Defense" and insert "the Secretary of War."

The SPEAKER. The question is on the amendments.

The question was taken; and the Chair being in doubt, the House divided, and there were—ayes 109, noes 82.

Mr. THOMASON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 187, nays 169, not voting 73, as follows:

[Roll No. 2]

YEAS—187

Allen, Ill.	Gillie	Pearson
Anderson, Calif.	Gore	Peterson, Ga.
Andresen	Gossett	Phelifer
August H.	Graham	William T.
Andrews	Grant, Ind.	Pittenger
Angell	Guyer	Ploeser
Arends	Gwynne	Plumley
Barden	Hall	Poage
Bates, Mass.	Edwin Arthur	Powers
Baumhart	Hall	Randolph
Bender	Leonard W.	Rankin, Miss.
Bennett	Halleck	Reece, Tenn.
Bishop	Hancock	Reed, Ill.
Blackney	Harness	Reed, N. Y.
Bolton	Heldinger	Rees, Kans.
Bradley, Mich.	Hendricks	Rich
Brown, Ohio	Hess	Rizley
Burch	Hill, Colo.	Robertson, N. Dak.
Burdick	Hinshaw	Robertson, Va.
Butler	Hoffman	Robison, Ky.
Canfield	Holmes	Rockefeller
Carlson	Hope	Rockwell
Carter	Houston	Rodgers, Pa.
Chipperfield	Hull	Rogers, Okla.
Clason	Jarrett	Satterfield
Clevenger	Jenkins, Ohio	Sauthoff
Cluett	Jenks, N. H.	Shafer, Mich.
Coffee, Nebr.	Jennings	Short
Cooley	Johns	Simpson
Copeland	Johnson, Calif.	Smith, Maine
Courtney	Johnson, Ill.	Smith, Ohio
Cox	Johnson, Ind.	Smith, Va.
Crawford	Jones	Smith, Wis.
Crowther	Jonkman	Snyder
Cunningham	Keefe	South
Curtis	Kefauver	Springer
Day	Kilburn	Stearns, N. H.
Dewey	Kilday	Stefan
Dies	Kinzer	Stevenson
Dirksen	Kieberg	Stratton
Disney	Knutson	Sumner, Ill.
Dondero	Kunkel	Sutphin
Douglas	Lambertson	Talle
Drewry	Landis	Tarver
Durham	LeCompte	Thill
Dworshak	Lewis	Thomas, N. J.
Eaton	McGehee	Tibbott
Eberhart	McGregor	Treadway
Elston	McLean	Vinson, Ga.
Engel	Martin, Iowa	Vorys, Ohio
Engelbright	Martin, Mass.	Wadsworth
Faddis	Mason	Wasielewski
Fellows	Merritt	Wheat
Fenton	Meyer, Md.	Whelchel
Fish	Michener	Whittington
Ford, Leland M.	Moser	Wigglesworth
Ford, Miss.	Mott	Wilson
Gale	Mundt	Wolcott
Gamble	Murray	Wolverton, N. J.
Gearhart	O'Brien, Mich.	Woodruff, Mich.
Gerlach	O'Brien, N. Y.	Woodrum, Va.
Gifford	O'Toole	Young
Gilchrist	Pace	Youngdahl
Gillette	Paddock	

NAYS—169

Allen, La.	Bloom	Brown, Ga.
Barnes	Boehne	Bryson
Bates, Ky.	Boggs	Bulwinkle
Beam	Boland	Burgin
Beckworth	Bonner	Byron
Beiter	Boren	Camp
Bell	Bradley, Pa.	Cannon, Fla.
Bland	Brooks	Capozzoli

Cartwright	Hook	Piauché
Casey, Mass.	Hunter	Priest
Celler	Imhoff	Rabaut
Chapman	Izac	Ramsey
Chapman	Jackson	Ramspeck
Cochran	Jarman	Rankin, Mont.
Coffee, Wash.	Johnson	Richards
Cole, Md.	Luther A.	Rivers
Collins	Johnson, Okla.	Robinson, Utah
Cooper	Johnson, W. Va.	Rogers, Mass.
Costello	Kelley, Pa.	Ro'ph
Cravens	Kelly, Ill.	Romjue
Creal	Kerr	Russell
Crosser	Kirwan	Sacks
Cullen	Kociakowski	Sanders
D'Alesandro	Kopplemann	Sasscer
Davis, Ohio	Kramer	Scanlon
Davis, Tenn.	Lanham	Schuetz
Delaney	Lea	Scrugham
Dickstein	Leavy	Secrest
Dingell	Lesinski	Shanley
Domengeaux	Ludlow	Sheppard
Doughton	McCormack	Sheridan
Downs	McGranery	Sikes
Duncan	McKeough	Smith, Wash.
Elliott, Mass.	McLaughlin	Smith, W. Va.
Fitzgerald	McMillan	Sparkman
Fitzpatrick	Maclejewski	Spence
Flaherty	MacIora	Sullivan
Flannagan	Mahon	Summers, Tex.
Fogarty	Manasco	Sweeney
Folger	Mansfield	Tenerowicz
Forand	Marcantonio	Terry
Ford, Thomas F.	May	Thom
Fulmer	Mills, Ark.	Thomas, Tex.
Gathings	Mills, La.	Thomason
Gibson	Monroney	Tolan
Grant, Ala.	Murdoch	Traynor
Green	Myers, Pa.	Voorhis, Calif.
Gregory	Nelson	Ward
Haines	Nichols	Weiss
Hare	Norrell	Welch
Harris, Ark.	O'Connor	White
Harris, Va.	Oliver	Whitten
Hart	O'Neal	Wickersham
Healey	Patman	Williams
Hébert	Patrick	Wright
Hill, Wash.	Peterson, Fla.	Zimmerman
Holbrook	Pierce	

NOT VOTING—73

Andersen, H. Carl	Harter	Osmer
Anderson, N. Mex.	Hartley	Patton
Arnold	Heffernan	Pfeifer
Baldwin	Hobbs	Joseph L.
Barry	Howell	Sabath
Boykin	Jacobsen	Schaefer, Ill.
Fuck	Jensen	Schulte
Buckler, Minn.	Johnson	Scott
Buckley, N. Y.	Lyndon B.	Shannon
Byrne	Kean	Smith, Pa.
Cannon, Mo.	Kee	Somers, N. Y.
Case, S. Dak.	Kennedy	Starnes, Ala.
Chenoweth	Martin J.	Steagall
Clark	Kennedy	Taber
Cole, N. Y.	Michael J.	Tinkham
Colmer	Keogh	Van Zandt
Culkin	Klein	Vincent, Ky.
Ditter	Larrabee	Vreeland
Edmiston	Lynch	Walter
Ellis	McIntyre	Weaver
Gavagan	Maas	Wene
Gehrmann	Magnuson	West
Granger	Mitchell	Winter
Harrington	Norton	Wolfenden, Pa.
	O'Day	Worley
	O'Hara	
	O'Leary	

So the amendments were agreed to.
The Clerk announced the following pairs:

Until further notice:

Mr. Colmer with Mr. Ditter.
Mr. Hobbs with Mr. Jensen.
Mr. Granger with Mr. Cole of New York.
Mr. Larrabee with Mr. Gehrmann.
Mr. Martin J. Kennedy with Mr. Taber.
Mr. Clark with Mr. Kean.
Mr. Starnes of Alabama with Mr. Tinkham.
Mr. Keogh with Mr. Hartley.
Mr. Cannon of Missouri with Mr. O'Hara.
Mr. Patton with Mr. Baldwin.
Mr. Heffernan with Mr. Scott.
Mr. Schulte with Mr. Howell.
Mr. Vincent of Kentucky with Mr. Van Zandt.
Mr. Weaver with Mr. Osmer.
Mr. Worley with Mr. Wolfenden of Pennsylvania.
Mr. Lynch with Mr. Vreeland.

Mr. Mahon with Mr. Culkin.
Mr. Joseph L. Pfeifer with Mr. Case of South Dakota.
Mr. West with Mr. Maas.
Mr. O'Leary with Mr. Winter.
Mr. Steagall with Mr. Chenoweth.
Mr. Walter with Mr. H. Carl Andersen.
Mr. Boykin with Mr. Buckler of Minnesota.
Mr. Gavagan with Mr. Mitchell.
Mr. Smith of Pennsylvania with Mrs. Norton.
Mr. Ellis with Mr. Magnuson.
Mr. Harrington with Mr. Somers of New York.
Mr. Jacobsen with Mr. Harter.
Mr. Kee with Mr. Buckley of New York.
Mr. Barry with Mr. Elliott of California.
Mr. McIntyre with Mr. Michael J. Kennedy.
Mr. Arnold with Mr. Schaefer of Illinois.
Mrs. O'Day with Mr. Wene.
Mr. Buck with Mr. Sabath.
Mr. Lyndon B. Johnson with Mr. Klein.
Mr. Byrne with Mr. Edmiston.
Mr. Anderson of New Mexico with Mr. Shannon.

The result of the vote was announced as above recorded.

The SPEAKER. The clerk will report the next amendment on which a separate vote has been demanded.

The clerk read as follows:

On page 2, after the period in line 15, insert "To aid the Secretary of War in the performance of his duties under this act and to perform such other functions relating to civilian defense as the Secretary of War may direct, there shall be an additional Assistant Secretary of War who shall be appointed by the President by and with the advice and consent of the Senate, who shall receive compensation at the rate of \$10,000 per annum. Upon the expiration of 6 months after the termination of the wars in which the United States is now engaged, the office of Assistant Secretary of War herein created is abolished."

The SPEAKER. The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. THOMASON) there were—ayes 136, noes 137.

Mr. HARNES. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 178, nays 179, not voting 72, as follows:

[Roll No. 3]

YEAS—178

Allen, Ill.	Crawford	Gossett
Anderson, Calif.	Crowther	Graham
Andresen	Cunningham	Grant, Ind.
August H.	Curtis	Green
Andrews	Day	Guyer
Angell	Dewey	Hall
Arends	Dies	Edwin Arthur
Barden	Dirksen	Hall
Bates, Mass.	Disney	Leonard W.
Baumhart	Dondero	Halleck
Bender	Douglas	Hancock
Bennett	Drewry	Harness
Bishop	Dworshak	Hébert
Blackney	Eaton	Heldinger
Bolton	Eberhart	Hendricks
Bradley, Mich.	Elston	Hess
Brown, Ohio	Engel	Hinshaw
Burch	Englebright	Hoffman
Burdick	Faddis	Holmes
Butler	Fellows	Hope
Canfield	Fenton	Houston
Carlson	Fish	Jarrett
Carter	Ford, Leland M.	Jenkins, Ohio
Chipperfield	Ford, Miss.	Jenks, N. H.
Clason	Gale	Jennings
Clevenger	Gamble	Johns
Cluett	Gearhart	Johnson, Calif.
Coffee, Nebr.	Gerlach	Johnson, Ill.
Cooley	Gifford	Johnson, Ind.
Copeland	Gillette	Jones
Courtney	Gille	Jonkman
Cox	Gore	Kefauver

Kilburn
Kilday
Kinzer
Kleberg
Knutson
Kunkel
Lambertson
Landis
Lea
Lewis
McGehee
McGregor
McLean
Martin, Iowa
Martin, Mass.
Mason
Merritt
Meyer, Md.
Michener
Moser
Mundt
Murray
O'Brien, Mich.
O'Brien, N. Y.
O'Toole
Pace
Paddock
Pearson

Peterson, Ga.
Pfeiffer
William T.
Pittenger
Floesser
Plumley
Poage
Powers
Randolph
Rankin, Miss.
Rankin, Mont.
Reece, Tenn.
Reed, Ill.
Reed, N. Y.
Rees, Kans.
Rich
Rizley
Robertson,
N. Dak.
Robertson, Va.
Robison, Ky.
Rockefeller
Rockwell
Rodgers, Pa.
Rogers, Mass.
Satterfield
Shafer, Mich.
Short
Simpson

Smith, Maine
Smith, Ohio
Smith, Va.
Smith, Wis.
Springer
Starnes, Ala.
Stearns, N. H.
Stefan
Stevenson
Stratton
Sumner, Ill.
Sutphin
Thill
Thomas, N. J.
Tibbott
Treadway
Vinson, Ga.
Vorys, Ohio
Wadsworth
Wheat
Whitten
Whittington
Wigglesworth
Wilson
Wolcott
Wolverton, N. J.
Woodruff, Mich.
Woodrum, Va.
Youngdahl

NAYS—179

Allen, La.
Barnes
Bates, Ky.
Beam
Beckworth
Belter
Bell
Bland
Bloom
Boehne
Boggs
Boland
Bonner
Boren
Bradley, Pa.
Brooks
Brown, Ga.
Bryson
Buckler, Minn.
Bulwinkle
Burgin
Byron
Camp
Cannon, Fla.
Capozzoli
Cartwright
Casey, Mass.
Celler
Chapman
Claypool
Cochran
Coffee, Wash.
Cole, Md.
Collins
Cooper
Costello
Cravens
Greal
Cresser
Cullen
D'Alesandro
Davis, Ohio
Davis, Tenn.
Delaney
Dickstein
Dingell
Domengeaux
Doughton
Downs
Duncan
Durham
Eliot, Mass.
Fitzgerald
Fitzpatrick
Flaherty
Flannagan
Fogarty
Folger
Forand
Ford, Thomas F.
Norrell

Fulmer
Gathings
Gibson
Gilchrist
Grant, Ala.
Gregory
Gwynne
Haines
Hare
Harris, Ark.
Harris, Va.
Hart
Harter
Healey
Hill, Wash.
Holbrook
Hook
Hull
Hunter
Imhoff
Izac
Jackson
Jarman
Johnson
Luther A.
Johnson, Okla.
Johnson, W. Va.
Keefe
Kelley, Pa.
Kelly, Ill.
Kerr
Kirwan
Kociakowski
Kopplemann
Kramer
Lanham
Leavy
LeCompte
Lesinski
Ludlow
McCormack
McGranery
McKeough
McLaughlin
McMillan
Maciejewski
Maciora
Mahon
Manasco
Mansfield
Marcantonio
May
Mills, Ark.
Mills, La.
Monroney
Murdoch
Myers, Pa.
Nelson
Nichols
Norrell

O'Connor
Oliver
O'Neal
Patman
Patrick
Peterson, Fla.
Pierce
Plauche
Priest
Rabaut
Ramsay
Ramspeck
Richards
Rivers
Robinson, Utah
Rogers, Okla.
Rolph
Romjue
Russell
Sacks
Sanders
Sasscer
Sauthoff
Seanlon
Schuetz
Scrugham
Secrest
Shanley
Sheppard
Sheridan
Sikes
Smith, Wash.
Smith, W. Va.
South
Sparkman
Spence
Sullivan
Summers, Tex.
Sweeney
Talle
Tarver
Tenerowicz
Terry
Thom
Thomas, Tex.
Thomason
Tolan
Traynor
Voorhis, Calif.
Ward
Wastelewski
Weaver
Welch
Whelchel
White
Wickersham
Williams
Wright
Young
Zimmerman

NOT VOTING—72

Andersen,
H. Carl
Anderson,
N. Mex.
Arnold
Baldwin
Barry
Boykin
Buck
Buckley, N. Y.
Byrne
Cannon, Mo.
Case, S. Dak.

Chenoweth
Clark
Cole, N. Y.
Colmer
Culkin
Ditter
Edmiston
Elliott, Calif.
Ellis
Gavagan
Gehrmann
Granger
Harrington

Hartley
Heffernan
Hill, Colo.
Hobbs
Howell
Jacobsen
Jensen
Johnson
Lyndon B.
Kean
Kee
Kennedy,
Martin J.

Kennedy,
Michael J.
Keogh
Klein
Larrabee
Lynch
McIntyre
Maas
Magnuson
Mitchell
Norton
O'Day
O'Hara

O'Leary
Osmer
Patton
Pfeifer
Joseph L.
Sabath
Schaefer, Ill.
Schulte
Scott
Shannon
Smith, Pa.
Snyder
Somers, N. Y.

Steagall
Taber
Tinkham
Van Zandt
Vincent, Ky.
Vreeland
Walter
Weiss
Wene
West
Winter
Wolfenden, Pa.
Worley

So the amendment was rejected.

The Clerk announced the following additional pairs:

Until further notice:

Mr. Colmer with Mr. Ditter.
Mr. Hobbs with Mr. Jensen.
Mr. Granger with Mr. Cole of New York.
Mr. Larrabee with Mr. Gehrmann.
Mr. Martin J. Kennedy with Mr. Taber.
Mr. Clark with Mr. Kean.
Mr. Keogh with Mr. Hartley.
Mr. Cannon of Missouri with Mr. O'Hara.
Mr. Patton with Mr. Baldwin.
Mr. Heffernan with Mr. Scott.
Mr. Schulte with Mr. Howell.
Mr. Vincent of Kentucky with Mr. Van Zant.

Mr. Worley with Mr. Wolfenden of Pennsylvania.
Mr. Lynch with Mr. Vreeland.
Mr. Joseph L. Pfeifer with Mr. Case of South Dakota.

Mr. West with Mr. Maas.
Mr. O'Leary with Mr. Winter.
Mr. Steagall with Mr. Chenoweth.
Mr. Walter with Mr. H. Carl Andersen.
Mr. Snyder with Mr. Hill of Colorado.
Mr. Boykin with Mr. Tinkham.
Mr. Anderson of New Mexico with Mr. Osmer.

Mr. Shannon with Mr. Culkin.
Mr. Gavagan with Mr. Mitchell.
Mr. Smith of Pennsylvania with Mrs. Norton.

Mr. Ellis with Mr. Magnuson.
Mr. Harrington with Mr. Somers of New York.

Mr. Kee with Mr. Buckley of New York.
Mr. Barry with Mr. Elliott.
Mr. McIntyre with Mr. Michael J. Kennedy.
Mr. Arnold with Mr. Schaefer of Illinois.
Mrs. O'Day with Mr. Wene.
Mr. Buck with Mr. Sabath.
Mr. Lyndon B. Johnson with Mr. Klein.
Mr. Byrne with Mr. Edmiston.

Mr. ANDERSON of New Mexico. Mr. Speaker, I desire to vote "no."

The SPEAKER. Was the gentleman in the House listening when his name was called?

Mr. ANDERSON of New Mexico. I was not.

The SPEAKER. The gentleman does not qualify.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

Mr. MAY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on this bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. MAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 1926, to provide protection of persons and property from bombing attacks in the United States, and for

other purposes, and that it be amended by striking out all after the enacting clause and inserting the provisions of the House bill (H. R. 5727).

The SPEAKER. The Clerk will report the title of the bill.

The Clerk reported the title of the Senate bill.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on agreeing to the amendment to the Senate bill.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the Senate bill as amended.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

The SPEAKER. Without objection, the proceedings by which the House bill was passed will be vacated, and the House bill be laid on the table.

There was no objection.

EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and insert a speech delivered by Hon. J. J. MANSFIELD before the Texas waterways conference and also a speech delivered by Mr. Roy Miller before the same conference, December 16, 1941.

The SPEAKER. Is there objection?

There was no objection.

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to extend my remarks and include an article by Mr. Roswell McGill, former Under Secretary of the Treasury, on Federal taxation.

The SPEAKER. Is there objection?

There was no objection.

Mr. ENGEL. Mr. Speaker, I ask unanimous consent to extend my remarks and include a letter written by myself to the Under Secretary of War, Mr. Patterson.

The SPEAKER. Is there objection?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and include a short editorial.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOOK. Mr. Speaker, I ask unanimous consent to extend my remarks with regard to bankers and war.

The SPEAKER. Is there objection?

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. CAPOZZOLI. Mr. Speaker, I ask unanimous consent that tomorrow, at the close of the legislative business, and other special orders, I be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my remarks and include a letter from Mr. Hagie, the secretary of the National Reclamation Association.

The SPEAKER. Is there objection?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my remarks and include a speech by Mr. Russell Amory.

The SPEAKER. Is there objection? There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent that at the conclusion of all special orders today I be permitted to address the House for 5 minutes.

The SPEAKER. Is there objection? There was no objection.

EXTENSION OF REMARKS

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein an article from the New Republic.

The SPEAKER. Is there objection? There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein a letter to a constituent.

The SPEAKER. Is there objection? There was no objection.

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to extend my remarks and include an editorial from the Morrison (Ill.) Daily Herald of January 5, 1942.

The SPEAKER. Is there objection? There was no objection.

VISITORS TO UNITED STATES COAST GUARD ACADEMY

The SPEAKER. Pursuant to the provisions of Public Law 183, Seventy-seventh Congress, the Chair appoints as members of the Board of Visitors to the United States Coast Guard Academy the following Members of the House: Mr. WOODRUM of Virginia and Mr. TABER.

The SPEAKER laid before the House the following communication:

JANUARY 7, 1942.

HON. SAM RAYBURN,
Speaker, House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: Pursuant to the act of April 16, 1937, as amended (Public, No. 38, 75th Cong., 1st sess.) I have appointed the following members of the Committee on the Merchant Marine and Fisheries to serve as members of the Board of Visitors to the United States Coast Guard Academy for the calendar year 1942: Hon. FRANK W. BOYKIN, Hon. J. HARDIN PETERSON, Hon. JAMES C. OLIVER. As chairman of the Committee on the Merchant Marine and Fisheries, I am authorized to serve as an ex-officio member of the Board.

Yours very sincerely,

S. O. BLAND,
Chairman.

PAY ACCUMULATED LEAVE TO EMPLOYEES IN ARMED FORCES

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 6023) to provide for the payment for accumulative or accrued annual leave to certain employees of the United States, its Territories or possessions, or the District of Columbia, who voluntarily enlist or otherwise enter the military or naval forces of the United States.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. McCORMACK. Mr. Speaker, reserving the right to object, I know what the bill is. It is a very deserving bill, but may I suggest that the distinguished gentleman from Georgia make a brief statement for the Record?

Mr. RAMSPECK. I will be glad to do that. In August last year the Congress passed legislation providing that employees of the Government who were drafted into the armed forces should have the right to either retain their accumulated leave or to receive pay for it. Inadvertently those who volunteered were not included in that privilege. This bill simply corrects that oversight and gives the same treatment to the volunteers that is received by the selectees.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mrs. ROGERS of Massachusetts. The bill was reported out unanimously by the committee?

Mr. RAMSPECK. That is correct.

Mrs. ROGERS of Massachusetts. The committee felt it was the least the committee could do, only a matter of common justice?

Mr. RAMSPECK. That is correct. The committee made a unanimous report.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act making provisions for payment of employees of the United States Government, its Territories or possessions, or the District of Columbia, for accumulated or accrued annual leave when ordered to active duty with the military or naval forces of the United States," approved August 1, 1941, is amended to read as follows:

"That employees of the United States Government, its Territories or possessions, or the District of Columbia (including employees of any corporation created under authority of an act of Congress which is either wholly controlled or wholly owned by the United States Government, or any corporation, all the stock of which is owned or controlled by the United States Government, or any department, agency, or establishment thereof, whether or not the employees thereof are paid from funds appropriated by Congress), who, have heretofore or who may hereafter be ordered to active duty with, or who voluntarily enlist for service with, or who have on or after the date of the enactment of the Selective Training and Service Act of 1940 voluntarily enlisted for service with the military or naval forces of the United States, shall be entitled to receive, in addition to their military pay, compensation in their civilian positions covering their accumulated or current accrued leave, or to elect to have such leave remain to their credit until their return from active military or naval service."

With the following committee amendment:

On page 2, line 10, strike out all after the word "who," down to and including the word "States" in line 15 and insert: "subsequent to May 1, 1940, shall have entered upon active military or naval service in the land or naval forces of the United States by voluntary enlistment or otherwise."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill to provide for the payment for accumulative or accrued annual leave to certain employees of the United States, its Territories or possessions, or the District of Columbia, who voluntarily enlist or otherwise enter the military or naval forces of the United States."

The SPEAKER. Under previous order of the House, the Delegate from Alaska is entitled to be recognized for 1 hour.

PERMISSION TO ADDRESS THE HOUSE

Mr. DIMOND. Mr. Speaker, in view of the lateness of the hour, I ask unanimous consent to yield back the time granted me to speak today and instead I ask unanimous consent that on Monday next, after the conclusion of the legislative business and any other special orders, I may be permitted to address the House for 1 hour.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Indiana [Mr. WILSON] is recognized for 5 minutes.

ARMY CANTONMENT IN BARTHOLOMEW COUNTY, IND.

Mr. WILSON. Mr. Speaker, I have been informed by the War Department of the final decision to locate an Army cantonment in Bartholomew County, near Columbus, Ind. Columbus and Bartholomew County make up one of the finest, most stable communities I have ever known. The county has some of the finest soil in the State of Indiana. The farmers are typical of those of pioneer days, willing to toil long and hard, as has always been the farmer's lot, in order to "pull his own weight." In other words, they still believe it is their lot in life to earn their living by the sweat of their brow. There, community life is on a very high social and cultural plane. I fully realize, as I am sure they do, that their sacrifices are going to be great, but, Mr. Speaker, I assure you now that the good citizens of Bartholomew County, despite the inconveniences and heartaches that are sure to come, will be brave in every sense and do their part.

As for the city of Columbus, I can say that I have thought of it as an ideal city, stable as can be, and also made up of a homogeneous group of people, unsurpassed in their social and cultural life by any city I have ever visited. I am acquainted with both their county and city governments and I can assure America that nowhere can you find a more cooperative group of people.

For several months the people of the city of Columbus and Bartholomew County have felt that this camp or cantonment was sure to be located in and near their boundaries. They have wondered what effect it might have on their lives and their businesses. They have known that such a project would tax their facilities, but they have not complained—they have not protested. Long before the international situation became so critical, while we were still an

united people, and minority groups refused to make any sacrifices, the people of Bartholomew County were saying that "if it is in the interest of national defense, if it is the part we are to play, let it come; we are ready to make the best of it."

Permit me, Mr. Speaker, to quote from an extra edition of the Columbus Evening Republican, which did not hesitate to break a 25-year precedent to give the citizens of that area the news that the cantonment was to be located there. The paper said, quoting an editorial of months ago:

This is not the sort of thing that a chamber of commerce would go out to land for a city or county; but if the camp is located here, there will be only one thing to do—to recognize our obligations to the young men in training and make things as pleasant for them as we can. We would have the same obligations to these lads as we hope other communities are acknowledging to our own who have been sent to other camps.

I could not close this observation without saying that I am claiming no credit for the location of this camp. In these trying times we must have confidence in the ability of our Army and Navy staff to locate defense activities in most strategic places.

All my life I have carried the slogan: "By hard work we will win." I think that slogan still holds good. In addition, and since taking my seat in Congress, I have adopted this slogan: "It matters not what happens to me, it's my country." Such is true of the people of Bartholomew County and of the city of Columbus. They place their country's welfare ahead of any personal ambition.

The SPEAKER. Under the previous order of the House, the gentleman from Michigan [Mr. BRADLEY] is recognized for 5 minutes.

THE SOO LOCKS

Mr. BRADLEY of Michigan. Mr. Speaker, the hour is late and I shall not take much of the time of the House.

On yesterday I called attention to the remarkable record that was made by that great fleet of ore carriers on the Great Lakes which during this past season carried approximately 89,000,000 tons of iron ore from the upper lake ports to the great steel furnaces in the Middle West. That was a 25-percent increase over its previous record season of 1940. During that same navigation season of 1941, 110,000,000 tons of bulk freight passed through the locks at Sault Ste. Marie, Mich. This is a greater tonnage than has ever gone through the Panama Canal, the Suez Canal, and the Welland Canal combined in any 12-month period in any year.

The President in his message the other day called upon the Nation to increase its production efforts, particularly its all-important steel production. Mr. Speaker, this steel production increase cannot be achieved until this Congress sees fit to pass an authorization measure and appropriate approximately \$3,000,000 to provide for an additional lock at the Soo, because the present locks have now reached their maximum operating capacity. Such an authorization measure has been pending before the Rivers and Harbors Committee of the House for

many months. The military authorities at the Soo have long been ready to start construction work immediately after this Congress authorizes them to do so. The committee has approved of that authorization measure but they have not yet reported it to the floor of this House because of the fact they have buried it in the billion dollar so-called pork-barrel rivers-and-harbors omnibus bill. Both the gentleman from Michigan [Mr. DONDERO] and I have repeatedly urged the committee to report out separately this bill for the additional lock at the Soo, but it appears that congressional precedents have been exercised to overrule us on this very important question. I am certain that if the committee would report that bill separately to the floor of this House it would be passed by a unanimous vote, not only by the House but by the other body of the Congress.

Just how vitally important this additional lock will be to the war-production picture was graphically illustrated last August at the height of the shipping season. There are at present three locks in operation at the Soo. The original small lock, known as the Poe lock, is entirely too small, so that its operation has been discontinued for a number of years. It is at the site of this original lock that it is proposed to build this new or so-called fourth lock. Last August, due to the collapse of a part of the railroad bridge which crosses the entrance to the locks, all shipments of iron ore and other commodities were suspended for 4 days. This resulted in a shipping loss estimated in excess of 1,000,000 gross tons. This international railroad bridge between the United States and Canada is of such importance that it cannot be moved and will still remain an operating hazard, even though the fourth lock is constructed. However, I cite this accident merely to show how serious any suspension of operation of these locks is to the entire war-victory program because of the fact that the present three locks in operation have reached their maximum operating efficiency, if not their maximum operating capacity.

This brings up another important angle that I want to point out, Mr. Speaker; that is, to impress upon this Congress that these vital Soo locks, controlling as they do the flow of 85 percent of the Nation's iron-ore supply, are, in reality, America's No. 1 air target. Enemy planes operating on skis during the winter or on floats in the summer can sneak into the remote regions of Hudson Bay merely 200 miles north of the Soo and bomb those locks to complete destruction within but a very few minutes and with but a few well-placed bombs.

We have a military police battalion stationed at the Soo right now charged with the responsibility of protecting those locks, but they have no adequate equipment with which to do anything more than prevent destruction of the locks through acts of sabotage. As a matter of fact, such anti-aircraft equipment as had been stationed at the Soo previously in the nature of guns and searchlights were transferred from the Soo very shortly after the war began in 1939 and have not yet been replaced.

Day before yesterday I again urged the Secretary of War in a detailed letter to station at the Soo a squadron of fighter planes together with anti-aircraft detection devices. I also requested mobile anti-aircraft-gun equipment and antitank equipment, and, finally, requested that these fighter planes as soon as possible be supplemented by a light bomber squadron. I request this minimum of vitally needed equipment at this time simply because we are all fully cognizant of our woeful state of unpreparedness and our woeful lack of adequate equipment sufficient to properly protect all of our vital targets.

The Soo is only about 45 minutes from our big pursuit air base at Selfridge Field, Mich., from which those fighter planes permanently stationed at the Soo could be supported by sufficient additional fighters which ought to be able to ward off the enemy successfully; but, Mr. Speaker, again I call your attention to the fact that the Soo is America's No. 1 target from a strategic military viewpoint.

Lest the uninformed scoff at the danger from enemy air attack alone, let me point out another aerial danger to these locks. We have in this country some 25,000 private airplanes from the little grasshoppers up to huge transports. We have approximately 100,000 private or civilian pilots. Unquestionably in that number there may be some subversive or weak individuals whose services could be bought by the enemy. Even one small grasshopper plane at night filled with high explosives could either drop bombs therefrom or could even be flown headlong into the locks by some maniac, suicidal pilot, and that might cause destructive damage which would take months to repair, and the military authorities now stationed at the Soo with the equipment now on hand would be absolutely powerless to prevent it. True, through the very prompt and commendable action taken by the C. A. A. and through the efforts now being made by the civil-air patrol officials, this hazard is rapidly being minimized but some hazard, too great a hazard, from this source will ever remain a potential threat to the safety of the Soo locks until you give those locks proper equipment for adequate protection.

All this is recognized by our air force, by the combat air force itself, yet we have not provided adequate protection, and by congressional inaction we have failed to provide for the new lock at the Soo so vitally needed to meet the President's request for additional steel tonnage for this Nation and our Allies.

[Here the gavel fell.]

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent to include in my remarks two newspaper editorials on this important subject from the Soo Evening News.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The newspaper articles referred to follow:

[From the Soo Evening News]

PROTECT THE LOCKS

Take a globe map or map of the world looking down upon the North Pole. Measure the distance between Tokyo and San Francisco, and then measure the distance from Tokyo

to the Sault locks. Only a fraction of an inch of difference by the "top of the world," or great circle routes.

This fact should make every citizen and every military man know what can happen to the west coast, which is being so elaborately guarded these days, could happen here at this vital point in the steel and grain commerce of the world.

When the Japs slipped into Pearl Harbor bringing destruction and death, the common citizens and, apparently, the military and naval authorities themselves, were as surprised as they were stunned. If the same thing is tried here, either by the Japs or the Hitler bombing forces, will there be the same surprise and crushing damage?

Certainly if there is scientific method of combating enemy attacks upon Sault Ste. Marie, it should be taken. Methods of noting in advance any advancing planes should be set up, of course. The possible bases of operations for our enemies in the Hudson Bay region should be carefully watched. Most modern defense weapons, that could sweep the sky, including available fighter planes ready to take off on an instant's notice, should be here. It is idle to say that there is little probability of an attack before spring shipping starts.

Uncle Sam will want a hundred million tons of iron ore to pass the Sault locks next season. In terms of defense, that is the most important item in all industry. Not one chance of permitting a stoppage of this traffic should be taken.

Attention War Department.

SAFEGUARD THIS CHANNEL

It was an impressive meeting that the chamber of commerce conducted yesterday honoring the 1941 performance of the lake carriers in breaking all previous records for the transportation of ore.

But to many thoughtful minds pride in the achievement must have underlined the apprehension widely shared in the Great Lakes region over what is perhaps the grossest and most wanton item of neglect in the whole plan for defending America. We refer to the failure of the administration and Congress to have provided, many months ago, extra sets of locks in the Soo Canal, through which much of the lake traffic passes.

The total traffic of the Great Lakes exceeds by far the total of all the ocean commerce of the United States. The traffic through the Soo is far greater in tonnage than that through the Panama Canal. And it is of such a character that not even a beginning could be made on the program that President Roosevelt outlined yesterday if the traffic through the Soo in the shipping season were stopped or curtailed. In fact, we could not keep production near to the point it has already achieved, and it might almost cease throughout the vast industrial districts of Michigan, Illinois, Indiana, Ohio, Pennsylvania, and New York, and in most of the rest of the country, all of which depends largely on this region for its steel.

It has been pointed out repeatedly that to bomb the Soo by flying boats hopping off Hudson's Bay, or from a carrier that might sneak into that vast sea, would be technically easier for the Germans to accomplish than it was for the Japs to bomb Pearl Harbor. The distances are shorter, and the opportunity for surprise even greater, since the problem of patrolling the wastes of the North is extremely difficult.

Provision for new locks is contained in the vast, billion-dollar, omnibus pork barrel rivers and harbors bill, one of the most disgraceful measures ever presented to Congress in a time of emergency. The enactment of that gigantic political fraud would be a catastrophe in itself, not equal in magnitude to the bombing of the Soo. To be sure, but certainly a sizeable disaster.

An appropriation for spare locks at the Soo is so urgent a necessity that it should

be instantly enacted in a separate measure—should have been enacted at least as long ago as the lend-lease bill. The negligence of those responsible for the failure to do so is at least equal to that of any naval or military commander under investigation at Honolulu.

The people who know this necessity have not raised their voices loudly lest they be charged with pointing out to the enemy a vital weak spot in the whole system of American and Allied defense. But the enemy cannot possibly be ignorant of that which Congress and the administration still choose to ignore.

From this region, which knows fully the importance of the Soo to the Nation, must go up a clamor that will be heard. For without action, this Nation faces the risk of a disaster at the Soo compared to which Pearl Harbor would be an incident. On the maintenance of that channel, in plain and simple language, this country is dependent for its ability to produce munitions of war in any considerable volume whatever.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. VINCENT of Kentucky, indefinitely (at the request of Mr. GREGORY), on account of illness.

To Mr. PACE, for tomorrow, on account of important business.

ENROLLED BILLS SIGNED

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 4077. An act to amend the District of Columbia License Act so as to permit the transportation of school children and occasional sightseeing operations in the District of Columbia without procurement of a license or payment of a tax in the case of certain vehicles performing such operations in connection with transportation to the District of Columbia;

H. R. 5464. An act to authorize transfer of enlisted men of the Naval and Marine Corps Reserve to the Regular Navy and Marine Corps; and

H. R. 6163. An act to prohibit parking of vehicles upon public or private property in the District of Columbia without the consent of the owner of such property.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2149. An act to amend the act approved April 22, 1941 (Public, No. 39, 77th Cong.), so as to increase the authorized enlisted strength of the Navy and Marine Corps.

ADJOURNMENT

Mr. RAMSPECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 45 minutes p. m.) the House adjourned until tomorrow, Friday, January 9, 1942, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1257. A letter from the Archivist of the United States, transmitting a list of papers for disposition by the Department of Agriculture; to the Committee on the Disposition of Executive Papers.

1258. A letter from the Secretary, United States Employees' Compensation Commission, transmitting its annual report of the United

States Employees' Compensation Commission covering the fiscal year ended June 30, 1941; to the Committee on the Judiciary.

1259. A letter from the Attorney General, transmitting a draft of a proposed bill to amend the act of May 28, 1896, as amended, relating to the appointment of assistant United States attorneys; to the Committee on the Judiciary.

1260. A letter from the Secretary of War, transmitting a draft of a proposed bill to provide for temporary promotion in the Army of the United States of officers commissioned in the Air Corps or assigned to duty with the Air Corps; to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. BLOOM: Committee on Foreign Affairs, House Joint Resolution 219. Joint resolution to enable the United States to become an adhering member of the Inter-American Statistical Institute; with amendment (Rept. No. 1572). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 6210) granting an increase of pension to Frances Beach Taylor, and the same was referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KEFAUVER:

H. R. 6332. A bill to revise the boundaries of the Chickamauga-Chattanooga National Military Park in the States of Georgia and Tennessee; to the Committee on Military Affairs.

By Mr. VINSON of Georgia:

H. R. 6333. A bill to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; to the Committee on Naval Affairs.

By Mr. CLAYPOOL:

H. R. 6338. A bill to provide for Federal aid to the several States in carrying out plans for industrial rehabilitation in the counties thereof; to the Committee on Ways and Means.

By Mr. JENKINS of Ohio:

H. R. 6339. A bill to provide for Federal aid to the several States in carrying out plans for industrial rehabilitation in the counties thereof; to the Committee on Ways and Means.

By Mr. STEFAN:

H. Res. 402. Resolution authorizing the printing of the proceedings in the House of Representatives on December 19, 1941, commemorating the service of William Tyler Page; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LELAND M. FORD:

H. R. 6334. A bill for the relief of Ralph Adams; to the Committee on Invalid Pensions.

By Mr. KUNKEL:

H. R. 6335. A bill for the relief of the estates of Robert C. Meals and Mrs. Bessie Mae

Morgret, Mrs. Margaret J. Meals, Donald Meals (a minor), and Betty Wrightstone (a minor); to the Committee on Claims.

By Mr. SMITH of Virginia:

H. R. 6336. A bill granting an increase of pension to Katharine H. Fuller; to the Committee on Invalid Pensions.

By Mr. WHITE:

H. R. 6337. A bill for the relief of William H. Linhart; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under class 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2262. By Mr. KRAMER: Petition of the Assembly and the Senate of the State of California, urging that the Congress of the United States act favorably upon and enact into law House bill 5727; to the Committee on Military Affairs.

2263. Also, petition of the assembly and the Senate of the State of California, urging the President and Congress of the United States to prevent any and all racial discriminations in the national-defense program, including admittance into the armed forces, employment in defense industries, and in the vocational program; to the Committee on Military Affairs.

2264. Also, petition of the Assembly and the Senate of the State of California, memorializing the President and the Congress of the United States to take such steps as will insure that supplies sufficient to meet the needs of the farmers of the State of California for agriculture equipment during the coming season will be furnished the farm machinery and manufacturing industry; to the Committee on Agriculture.

2265. Also, petition of the Assembly and the Senate of the State of California, requesting the President and the Congress of the United States do all things possible at any early date to make available to the department of public works of the State of California sufficient funds to put the highways of California in an adequate condition for national defense; to the Committee on Military Affairs.

2266. Also, petition of the Legislature of the State of California, expressing their disapproval and condemnation of any plan to federalize State unemployment insurance and employment services, and do hereby urge that Congress refuse to enact into law any federalization scheme; to the Committee on Ways and Means.

2267. Also, petition of the Legislature of the State of California, urging and requesting the Federal Social Security Administration to reexamine present old-age pension schedules with the objective of making such adjustments in the schedules as may be deemed proper to meet the changes in the cost of living; to the Committee on Ways and Means.

2268. Also, petition of the Assembly of the State of California, urging that in order to maintain the morale of the people of the United States athletic and sporting events should not be canceled unless imperative to the success of the national defense; to the Committee on Military Affairs.

2269. By Mr. ROLPH: Resolution of the State of California, Assembly Joint Resolution No. 4, relating to priorities for the manufacture of farm machinery; to the Committee on Ways and Means.

2270. By the SPEAKER: Petition of the Long Island Chapter, Knights of Columbus, Brooklyn, N. Y., petitioning consideration of their resolution with reference to the national-defense program; to the Committee on Military Affairs.

SENATE

FRIDAY, JANUARY 9, 1942

(Legislative day of Tuesday, January 6, 1942)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Very Reverend ZeBarney T. Phillips, D. D., Chaplain of the Senate, offered the following prayer:

Creator Spirit, who didst brood upon the face of the waters till God's word was uttered, and, lo, the foundations of the world were bathed in light supernal: Come breathe Thy breath upon us and set us free from sin and all uncleanness, making us temples worthier Thee.

Incline our inmost souls to Thee, that, like growing flowers leaning to the light, they may one day blossom into perfect prayer within the sacred precincts of Thy patience. And if Thou callest us to surrender our life's passion and its splendour, the flower of soul and sense, for one dark night of pain, may we yield Thee quick obedience, knowing full well that sorrow endureth for a night, but joy cometh in the morning.

So come and abide in Thy gentleness, O Blessed Spirit, whom with the Father and the Son, together, we worship and glorify as one God, world without end. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, January 8, 1942, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its clerks, announced that the House had passed the bill (S. 1936) to provide protection of persons and property from bombing attacks in the United States, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a bill (H. R. 6023) to provide for the payment for accumulative or accrued annual leave to certain employees of the United States, its Territories or possessions, or the District of Columbia who voluntarily enlist or otherwise enter the military or naval forces of the United States, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Bone	Butler
Austin	Brewster	Byrd
Bayley	Brooks	Capper
Ball	Brown	Caraway
Bankhead	Bulow	Chandler
Barkley	Bunker	Chavez
Blibo	Burton	Clark, Idaho

Clark, Mo.	Langer	Rosier
Connally	Lee	Russell
Danaher	Lodge	Schwartz
Davis	Lucas	Shipstead
Downey	McCarran	Spencer
Doxey	McFarland	Taft
Ellender	McKellar	Thomas, Idaho
George	McNary	Thomas, Okla.
Gerry	Maloney	Thomas, Utah
Gillette	Maybank	Tobey
Glass	Mead	Truman
Green	Millikin	Tunnell
Guffey	Murdock	Tydings
Gurney	Murray	Wallgren
Hayden	Norris	Vandenberg
Herring	Nye	Van Nuys
Hill	O'Daniel	Wagner
Holman	O'Mahoney	Walsh
Hughes	Overton	Wheeler
Johnson, Colo.	Radcliffe	White
Kilgore	Reed	Wiley
La Follette	Reynolds	Willis

Mr. HILL. I announce that the Senator from New Mexico [Mr. Hatch] is absent from the Senate because of illness.

The Senators from Florida [Mr. Andrews and Mr. Pepper], the Senator from New Jersey [Mr. Smathers], the Senator from South Carolina [Mr. Smith], and the Senator from Tennessee [Mr. Stewart] are necessarily absent.

Mr. AUSTIN. The Senator from New Hampshire [Mr. Bridges] is confined to a hospital due to a recent hip injury.

The Senator from New Jersey [Mr. Barbour] is necessarily absent.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

BOARD OF VISITORS TO THE NAVAL ACADEMY

The VICE PRESIDENT. In accordance with the provisions of the act of August 29, 1916, the Chair designates the Senator from Iowa [Mr. Herring], the Senator from Delaware [Mr. Hughes], the Senator from New Jersey [Mr. Smathers], and the Senator from Maine [Mr. Brewster] as the appointive members on the part of the Senate of the Board of Visitors to visit the Naval Academy at Annapolis, Md.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON SUSPENSION OF DEPORTATION OF ALIENS

A letter from the Attorney General, submitting, pursuant to law, a report stating the facts and pertinent provisions of law in the cases of 705 aliens whose deportation he has suspended for more than 6 months under authority of law, together with a statement of the reasons for such suspension (with accompanying papers); to the Committee on Immigration.

BOARDS OF LOCAL INSPECTORS, DEPARTMENT OF COMMERCE

A letter from the Acting Secretary of Commerce, reporting, pursuant to law, that by Order No. 105, dated April 18, 1941, published in the Federal Register of April 19, 1941, the Secretary of Commerce abolished as of the close of business May 31, 1941, the board of local inspectors at Evansville, Ind., and established a new board at Cairo, Ill., effective June 1, 1941; to the Committee on Commerce.

REPORT OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, submitting, pursuant to law, his report of the work of the General Accounting Office for the fiscal year ended